

**CITY OF MERCER ISLAND
SOLID WASTE, RECYCLING AND YARD WASTE COLLECTION
AGREEMENT**

THIS AGREEMENT (“the Agreement”) is made and entered into this 1st day of October, 2009, by the City of Mercer Island (“the City”) and Rabanco Ltd., a Washington corporation d/b/a Allied Waste Services of Bellevue (“Contractor”).

WHEREAS, the methods used to store and collect residential, commercial and multi-family solid waste are essential factors in the maintenance of a community's health and property values; unsanitary practices lead to the propagation of insects, rodents, and other disease conveying vectors; the unsightliness that results adversely affects the aesthetic character of the community and the habitability thereof, and such practices can also place an economic burden on a community; and

WHEREAS, it is essential that such residential, commercial and multi-family solid waste be properly collected and disposed of in order to avoid such adverse effects, and

WHEREAS, the City desires to remove recyclables and yard waste from the waste stream in order to increase the life of landfills; and

WHEREAS, the City requires its solid waste contractor to embrace the importance of sustainability and continually look for ways to be more efficient through reducing diesel emissions by minimizing idle times and taking advantage of new collection technology, eliminating unnecessary truck traffic, working with its customers to recycle more and produce less waste that requires landfill disposal;

WHEREAS, the Contractor is qualified to provide solid waste, recycling, and yard waste collection services in accordance with the terms of the Agreement; now therefore,

IN CONSIDERATION OF THE MUTUAL COVENANTS AGREEMENTS AND PROMISES HEREIN CONTAINED, THE CITY AND THE CONTRACTOR HEREBY AGREE AS FOLLOWS

1. Definitions

“*Solid waste*” as used herein, will mean and include all solid waste, rubbish, trash, refuse debris, scrap, waste materials, and discarded materials of all types whatsoever, whether the source be residential, commercial, or multi-family (four units or more), exclusive of hazardous wastes.

“*Hazardous wastes*” as used herein, will mean:

- (a) all waste defined or characterized as hazardous waste by the federal Solid Waste Disposal Act (42 USC 3251 et seq.), as amended, including the Resource Conservation and Recovery Act of 1976 (42 USC Section 6901, et seq.), and all

- future amendments thereto, or regulations promulgated thereunder; and any other federal statute or regulation governing the treatment, storage, handling or disposal of waste, materials or substances which impose special handling or disposal requirements similar to those required by Subtitle C of RCRA; and
- (b) all waste defined or characterized as dangerous or extremely hazardous in the Washington State Hazardous Waste Management Act, and all future amendments thereto or regulations promulgated thereunder, provided that the term hazardous waste:
- (i) Is intended to mean and include those substances which are not normally expected to be disposed of by generally accepted sanitary landfill methods;
 - (ii) Will include radioactive wastes; and
 - (iii) Will be construed to have the broader, more encompassing definition where there exists a conflict in the definitions employed by two or more government agencies having concurrent or overlapping jurisdiction over hazardous waste.

Certain waste that is not, as of the effective date of the Agreement, included in this definition may after that date come within its scope as determined by a government entity with jurisdiction; certain other waste that is within the definition may cease to be so included. Accordingly, any waste, material, or substance will be deemed hazardous waste at the time, but only so long as and to the extent that, it is included in the definition of hazardous waste set forth above.

“Household hazardous wastes” are those old or unwanted products that exhibit any of the characteristics of hazardous waste which are exempt from regulation because of their household origin. The King County Solid Waste Division maintains a list of products which when discarded are considered household hazardous wastes.

Wastes which are excluded from the general definition of household hazardous waste under the Agreement are: wastes from businesses of any kind, quantity or substance, containers larger than 5 gallons containing hazardous wastes, empty containers, explosives, and radioactive materials, fireworks, and ammunition.

“Yard waste” as used herein, will mean and include all loose materials such as sod, grass, weeds, flowers, leaves, etc., that are containerized in biodegradable bags or boxes, or in carts or solid waste cans; and branches and prunings that are less than four inches in diameter and bundled in lengths smaller than 4 feet.

“Recyclables” as used herein will mean and include aluminum cans, glass containers, mixed paper, newspaper, cardboard, plastic bottles, tubs and jugs, tin plated steel cans and scrap metal (with size limitations).

“Excluded waste” as used herein will mean and include hazardous waste; toxic substances, wastes or pollutants; contaminants; pollutants; infectious wastes; medical wastes; and radioactive wastes.

2. Scope of Work

Contractor agrees to furnish all labor, materials, facilities, services and equipment necessary, and to collect, haul and transport all solid waste, recyclables, and yard waste within the City of Mercer Island for disposal and/or processing within or without the City, during the term of the Agreement, all in a sanitary manner, and all in accordance with the rules and orders of any and all duly-authorized health and sanitary officers, boards and bodies as further described in the following paragraphs, and all in accordance with the terms of the Agreement.

(a) Single-Family, Multi-Family and Commercial Solid Waste

Contractor agrees to collect and dispose of solid waste set out for collection from all eligible single-family and multi-family residences and from eligible commercial establishments.

The Contractor will collect all solid waste placed at curbside for disposal by single-family residence customers in and adjacent to mini-cans, solid waste cans, bags and solid waste carts. The Contractor will offer carry-out service to disabled customers at no charge (per Section 3.1.6) and to all other customers for the appropriate service level rate, plus the carry-out surcharge, in accordance with Attachment A. Sunken can service will be provided only to customers with sunken can service initiated on or before the Date of Commencement, at the sunken can rate listed in Attachment A.

Solid waste containing yard debris will not be collected and instead prominently tagged with a written notice informing the customer that disposal of yard debris in solid waste is not legal within the City. Contractor collection of solid waste mixed with visible yard debris will be grounds for liquidated damages.

The Contractor will not be required to collect Excluded Waste. If materials are rejected for this reason, the Contractor will leave a written notice with the rejected materials listing why they were not collected and providing the customer with a contact for further information about proper disposal options, and the Contractor will promptly notify the appropriate federal, state or local agency of the presence of such materials.

(b) Single-Family Solid Waste

Company supplied containers are available at the sizes listed below. Customers may provide, but are not encouraged to provide, their own 32-gallon cans or 20-gallon cans. They must have “looped” handles and lids.

Size/Type	Maximum Weight
20 or 32 gallon can	65 lbs.
32 gallon wheeled cart	65 lbs.
64 gallon wheeled cart	150 lbs.
96 gallon wheeled cart	200 lbs.

Single-family residence solid waste collection containers will include customer-provided mini-cans, solid waste cans, plastic bags, and Contractor-provided solid waste carts. The Contractor will pay the cost of procuring and provide containers for solid waste meeting the required standards. Single-family residence customers will be offered a full range of containers and service options, including mini-cans and solid waste carts. The single-family residence customer's primary container must be a permanent rigid container. Plastic bags may only be used for excess waste, not as the customer's primary container. The Contractor may set weight limits on wheeled-carts as appropriate; provided that the weight limit is no less than the equivalent of fifty-five (55) pounds per 32-gallon capacity (e.g. a 64-gallon cart would have a weight limit of one-hundred and ten (110) pounds).

Mini-cans and solid waste carts will be delivered by the Contractor to single-family residence customers within seven (7) days of the customer's initial request.

Single-family residence customers that agree to set their collection container out at the Curbside so that it may be collected via automated service will be provided a Contractor-owned mini-can or solid waste cart in accordance with the customer's subscribed service level.

(c) Specific Collection Requirements

The Contractor will offer regular weekly collection of the following service levels:

1. one (1) mini-can or one (1) 20-gallon solid waste cart
2. one (1) solid waste can or one (1) 32/35-gallon solid waste cart
3. two (2) solid waste cans or one (1) 64-gallon solid waste cart
4. three (3) solid waste cans or one (1) 96-gallon solid waste cart
5. four (4) or more solid waste cans on an additional can charge basis
6. one (1) 32/35-gallon sunken can placed in below-grade vaults

Solid waste in excess of container capacity or the subscribed service level will be collected and properly charged as "extras" to the customer. The Contractor will maintain route lists in sufficient detail to allow accurate recording and charging of all "extras." Customers will be allowed to specify that no "extras" be collected without prior customer notification, which will be provided by the single-family residence customer no less than twenty-four (24) hours prior to that customer's regular collection.

Collections will be made from single-family residences on a regular schedule on the same day and as close to a consistent time as possible. The Contractor's crews will make collections in an orderly and quiet manner and will return containers, in an upright position, with lids closed and attached, to their set out location.

Carry-out charges will be assessed in twenty-five (25) foot increments only to those customers for whom the Contractor must move a container over five (5) feet to reach the collection vehicle at its nearest point of access. Extra charges may be

assessed for materials loaded so as to lift the mini-can, solid waste can or solid waste cart lid in excess of six (6) inches from the normally closed position. The Contractor may charge for an overweight container at the “extras” rate, provided that the container weight is documented and the customer agrees to pay for special handling; otherwise, the container will be left at the curb tagged with written notification as to why it was not collected.

(d) Single-Family Curbside Recyclables

Contractor agrees to collect, process and market all recyclables set out for collection from all single-family residences and small complex residences in the City. Recyclables to be included are: aluminum cans, glass containers, mixed paper, newspaper, cardboard, plastic bottles, tubs and jugs, tin plated steel cans and scrap metal (with size limitations).

The Contractor will collect all properly prepared single-family residence recyclables from subscribing single-family residence customers for solid waste or recycling service only. No limits will be placed on set-out volumes for recyclables, except in the case when extremely large quantities of commercially generated recyclables are consistently set out at a single-family residence. In this case, the Contractor will request the resident to use commercial recycling services and to discontinue setting out excess volumes. If the resident continues to set out commercial quantities of recyclables, the Contractor will notify the City for further action. In the event that large quantities of residentially-generated cardboard (e.g. moving boxes) are set out for collection, the Contractor may collect the excess materials the following day in a separate truck, provided that the cardboard is clearly tagged with a written notification of the collection delay.

(e) Single-Family Recycling Containers

Company supplied containers are available to those customers that sign up for the service. Contractor will provide and retain ownership of recycling containers during the term of this Agreement. One 96 gallon wheeled cart will be delivered to all participants who request service. Maximum weight for a 96 gallon cart is 200 lbs.

The Contractor will be responsible for paying the cost of procuring, ordering, assembling, and affixing instructional information onto, maintaining inventories of, and distributing and maintaining recycling carts. The default recycling cart size will be 96-gallons, provided that the Contractor will offer and provide 32- or 64-gallon recycling carts on request to those single-family residence customers requiring less capacity than provided by the standard 96-gallon recycling cart. Recycling carts will be screened, molded-on, molded-in or labeled with recycling collection requirements.

Recycling carts will be delivered by the Contractor to new single-family residence customers and those customers requesting replacements, within seven (7) days of the customer’s initial request. If recycling carts are not provided within seven (7)

days of the customer's initial request, the single-family residence customer will be provided one (1) free month of solid waste service on their next regular bill.

(f) Single-Family Curbside Yard Waste

Contractor agrees to collect all yard waste set out for collection from all single-family residences and small complex residences in the City. Service is every other week.

Yard debris or organic waste will be collected every other week from all participating single-family residence customers as part of basic solid waste collection services, without extra charge.

Yard waste collection is every other week. Service includes up to ten (10) units during every other week service. A unit is equivalent to a 32 gallon can, thus one 96 gallon cart equates to three units and three 96 gallon carts equates to nine units. Thus to be at the 10-unit level, a customer could have three 96 gallon carts and one 32 gallon can, bag or bundle. Items that exceed the maximum will be charged as "extras".

Contaminated or oversized yard debris or organic waste materials rejected by the Contractor at the curb will be tagged in a prominent location with an appropriate problem notice explaining why the material was rejected. If material is rejected without an appropriate notice, the customer will be provided one (1) free month of solid waste service on their next regular bill.

(g) Single-Family Yard Waste Containers

Contractor supplied containers are available to those customers that sign up for the service. Contractor will provide and retain ownership of yard waste containers during the term of this Agreement. One to three 96 gallon wheeled carts will be delivered to all participants who request service. Customers using yard waste service may also use their own containers such as 32-gallon cans with "looped" handles and lids or biodegradable paper bags. Containers should not be over filled. All containers need to have lids in place to avoid driver injuries and rainwater. The maximum weight per 32 gallon can and bag is 65 lb. Yard waste bundles must be bundled with biodegradable twine and be a maximum of 4' long and 2' round, with branches not to exceed 4" in diameter. Bags and bundles must be manageable and not more than 60 lbs. Maximum weight for 96 gallon carts is 200 lbs.

The Contractor will be responsible for paying the cost of procuring, ordering, assembling, and affixing instructional information onto, maintaining inventories of, and distributing and maintaining yard debris carts. Yard debris carts will be screened, molded-on, molded-in or labeled with instructional information.

Excess yard debris material that does not fit in a yard debris cart will be bundled or placed in biodegradable bags, customer-owned 32-gallon containers or untied reusable plastic bags. Customers choosing to use their own containers for excess

yard debris or organic waste will be provided durable stickers by the Contractor that clearly identifies the container's contents as "Yard Debris/Organic Waste." The Contractor will maintain and have available for customers a list of local retail stores that carry acceptable Kraft bags and reusable plastic bags. The list of local retail stores will be provided on the Contractor's website and available to customers by mail.

Yard debris carts will be delivered by the Contractor to new single-family residence customers within seven (7) days of the customer's initial request. If yard debris carts are not provided within seven (7) days of the customer's initial request, the single-family residence customer will be provided one (1) free month of solid waste service on their next regular bill.

(h) Multi-Family and Commercial Solid Waste

Solid waste collection will be made available to multi-family complex and commercial customers daily, Monday through Saturday, during the times specified in the Mercer Island City Code in 8.24.020 (Q). Collection at multi-family complex sites will be limited to the same hours as single-family residence collection. Collections from both multi-family complex and commercial customers will be made on a regular schedule on the same day and as close to a consistent time as possible to minimize customer confusion. The Contractor will collect from areas mutually agreed upon by the Contractor and customer with the least slope and best truck access possible. For multi-family complex or commercial customers that must stage their carts or containers on public streets or on significantly sloped hills, the Contractor will make a good faith effort to work with the multi-family complex or commercial customers to ensure that the carts or containers are not left unattended in the staging area. The Contractor may require a multi-family complex or commercial customer to attend to the cart or containers prior to and after collection. Any disputes arising between the Contractor and the multi-family complex or commercial customer as to what constitutes a "significantly sloped hill" or a "safety hazard" will be submitted in writing to the City, and the City's decision will be final. Carts and containers will be replaced, after emptying, in the same location as found with the lid closed.

Roll-out charges will be assessed in ten (10) foot increments only to those multi-family complex and commercial customers for whom the Contractor must move a cart or container over ten (10) feet to reach the collection vehicle at its nearest point of access. Extra charges may be assessed for materials loaded so as to lift the mini-can, solid waste can, solid waste cart or detachable container lid in excess of six (6) inches from the normally closed position.

Customers may request extra collections and will pay a proportional amount of their regular monthly rate for that service in accordance with the rates listed in Attachment A.

(i) Multi-Family On-Site Recyclables

Contractor agrees to collect, process and market all recyclables from all multi-family residences in which the owner has approved and agrees to participate in the information and education program and provide an appropriate site for recycling containers. Recyclables to be included are: aluminum cans, glass containers, mixed paper, newspaper, cardboard, plastic bottles, tubs and jugs, tin plated steel cans and scrap metal (with size limitations).

Multi-family complex recycling collection will occur at least every other week or more frequently, as needed, during the hours and days specified in the Mercer Island City Code in 8.24.020 (Q) for multi-family complex collection. Collections will be made on a regular schedule on the same day(s) of the week and as close to a consistent time as possible to minimize customer and multi-family complex tenant confusion.

The Contractor will collect from areas mutually agreed upon by the Contractor and multi-family complex customer with the least slope and best truck access possible. For multi-family complexes that must stage their carts or containers on public streets or on significantly sloped hills, the Contractor will make a good faith effort to work with the multi-family complex customer to ensure that the carts or containers are not left unattended in the staging area. The Contractor may require a multi-family complex customer to attend to the cart or containers prior to and after collection. Any disputes arising between the Contractor and the multi-family complex customer as to what constitutes a “significantly sloped hill” or a “safety hazard” will be submitted in writing to the City, and the City’s decision will be final. The Contractor’s crews will make collections in an orderly and quiet manner, and will return carts and containers after emptying to the same location as found with their lids closed.

When space constraints limit the provision of containers appropriately-sized for collection, the Contractor will provide more frequent collection, as necessary, of smaller carts or containers to provide adequate capacity for the multi-family complex site.

The Contractor will collect all properly prepared multi-family complex recyclables from participating multi-family complex customers. No limits will be placed on set-out volumes for recyclables. In the event that large quantities of cardboard (e.g. moving boxes) are set out for collection, the Contractor may collect the excess materials the following day in a separate truck, provided that the cardboard is clearly tagged with a written notification of the collection delay.

(j) Commercial On-Site Recyclables

Contractor agrees, at a minimum, to collect, process, market, and transport recyclables. The cost of this service will be negotiated and mutually agreed upon by the City and the Contractor.

The Contractor will be responsible for paying the cost of procuring, ordering, assembling, and affixing instructional information onto, maintaining inventories of, and distributing and maintaining recycling carts for the use by commercial customers. The Contractor will procure and distribute recycling carts to all commercial customers requesting recycling carts. The default recycling cart size for commercial customers will be 96 gallons, provided that the Contractor will offer and provide 32- or 64-gallon recycling carts on request to those commercial customers requiring either less or additional capacity than provided by the standard 96-gallon recycling cart or require smaller recycling carts due to space or other considerations. Recycling carts will be screened, molded-on, molded-in or labeled with recycling collection requirements.

At larger commercial customer sites, the Contractor may use detachable containers or drop-box containers for the collection of recyclables provided that they are painted blue, and are equipped with City-approved prominent identifying and instructional screens, imprints or labels. The Contractor will pay the cost to procure and distribute detachable containers and drop-boxes to all commercial customers requesting detachable containers and drop-boxes or for which the Contractor, through a site visit and evaluation, has determined detachable containers or drop-boxes are most appropriate due to space or other considerations, by the day prior to the Date of Commencement.

Recycling carts, detachable containers and drop-box containers to be used for the collection of recyclables will be delivered by the Contractor to requesting commercial customers within seven (7) days of the customer's initial request. If recycling carts, detachable containers or drop-box containers are not provided within seven (7) days of the customer's initial request, the customer will be provided one (1) free week of solid waste service on their next regular bill. The Contractor will clean commercial customer recycling carts, detachable containers and drop-box containers annually. Commercial customer recycling carts, detachable containers and drop-box containers will be relabeled periodically.

New Commercial Recycling Program Packets and, as needed, deskside containers for the collection of recyclables for distribution to tenants will be delivered to the commercial customer owner/manager and/or directly to tenants.

The Contractor will be responsible for paying the cost of procuring, ordering, assembling, affixing instructional information onto, maintaining inventories of, and distributing and maintaining deskside containers for the use by the tenants of commercial customers for the collection of recyclables. The Contractor will obtain the prior approval of the City before ordering deskside containers for the distribution to commercial customers or their tenants. The Contractor will pay the cost to procure and distribute deskside containers for the collection of recyclables to all tenants of commercial customers requesting desk side containers within seven (7) days of the customer or tenant's initial request. If deskside containers are not provided within seven (7) days of the customer or tenant's initial request, the

customer will be provided one (1) free week of solid waste service on their next regular bill.

Commercial customer recycling collection will occur at least every other week or more frequently, as needed, during the hours and days specified in the Mercer Island City Code in 8.24.020 (Q) for commercial customer collection. Collections will be made on a regular schedule on the same day(s) of the week and as close to a consistent time as possible to minimize customer and commercial customer tenant confusion.

The Contractor will collect from areas mutually agreed upon by the Contractor and commercial customer with the least slope and best truck access possible. For commercial customers that must stage their carts or containers on public streets or on significantly sloped hills, the Contractor will make a good faith effort to work with the commercial complex customer to ensure that the carts or containers are not left unattended in the staging area. The Contractor may require a commercial customer to attend to the cart or containers prior to and after collection. Any disputes arising between the Contractor and the commercial customer as to what constitutes a “significantly sloped hill” or a “safety hazard” will be submitted in writing to the City, and the City’s decision will be final. The Contractor’s crews will make collections in an orderly and quiet manner, and will return carts and containers after emptying to the same location as found with their lids closed.

When space constraints limit the provision of containers appropriately-sized for weekly collection, the Contractor will provide more frequent collection, as necessary, of smaller carts or containers to provide adequate capacity for the commercial customer site.

(k) Multi-Family and Commercial Solid Waste Containers

The Contractor will pay the cost of procuring and provide containers for solid waste meeting industry standards. Multi-family complex and commercial customers will be offered a full range of containers and service options, including mini-cans, solid waste cans, solid waste carts, one (1) through eight (8) cubic yard compacted and non-compacted detachable containers, and compacted and non-compacted drop-box containers.

Materials in excess of container capacity or the subscribed service level will be collected and properly charged as “extras” at the approved rates. The Contractor will develop and maintain route lists in sufficient detail to allow accurate recording and charging of all “extras.”

The Contractor may use front-load detachable containers to service multi-family complex and commercial customers. However, not all collection sites within the City service area may be appropriate for front-load collection due to limited maneuverability or overhead obstructions. The Contractor will provide containers

and collection services capable of servicing all customer sites, whether or not front-load collection is feasible.

Contractor-provided containers will be delivered by the Contractor to requesting multi-family complex and commercial customers within seven (7) days of the customer's initial request. If such containers are not provided within seven (7) days of a customer's initial request, the customer will be provided one (1) free week of solid waste service on their next regular bill.

(l) Roll-Off Service

Contractor will provide and retain ownership of temporary and permanent roll-off containers. Containers will be delivered to construction contractors, commercial, multi-family and single-family sites as requested. The containers ranging from 12 to 50 cubic yards are available for construction/demolition debris, solid waste, recyclables and yard waste. Rates are based on delivery, hauls, disposal, processing and mileage. Mileage is charged for travel exceeding 10 miles round trip.

The Contractor will pay the cost of procuring and providing containers for solid waste. Both customer-owned and contractor-owned drop-box containers will be serviced, including customer-owned compactors.

The Contractor will maintain a sufficient drop-box container inventory to provide delivery of empty containers by the Contractor to new and temporary customers within seven (7) business days after the customer's initial request. If drop-box containers are not provided within seven (7) days of a customer's initial request, the customer will be provided one (1) free week of solid waste service for multi-family complex and commercial customers on their next regular bill and one (1) free month of solid waste service for single-family residence customers on their next regular bill.

Customers may elect to own or secure drop-box containers from other sources, and will not be subject to discrimination by the Contractor in collection services on that account. However, containers owned or secured by customers must be capable of being serviced by the Contractor's drop-box container collection vehicles to be eligible for collection. The Contractor will provide labels and collection service for compatible customer-owned containers. The Contractor is not required to service customer containers that are not compatible with the Contractor's equipment. In the event of a dispute as to whether a particular container is compatible, the City will make the final determination.

(m) Specific Collection Requirements

Single-family residence, multi-family complex and commercial customer drop-box container collection must occur during the hours and days specified in the Mercer Island City Code in 8.24.020 (Q). Collection of drop-box containers in single-family residence and multi-family complex areas will be limited to the same hours as single-family residence collection.

The Contractor will provide dispatch service and equipment capability of delivering empty and collecting full drop-box containers on the same business day, if the customer's initial request is received by the call center before noon, and no later than the next business day if the customer's initial call is received by the call center before 6:00 p.m. At the customer's request, the Contractor will deliver an empty drop-box container to the customer at the time of collecting the full drop-box container. If, after the customer's request, an empty drop-box container is not delivered and/or a drop-box container is not collected on the same business day for calls received before noon, or by the next business day for calls received before 6:00 p.m., the customer will be provided free disposal of that drop-box container.

(n) Temporary Customers

The Contractor will provide temporary 2-, 4-, 6- and 8-cubic yard detachable containers to single-family residence, multi-family complex and commercial customers on an on-call basis. The charges for temporary detachable container service will include delivery, collection and disposal or processing for recycling. Rental charges for temporary detachable containers will be charged in addition to the basic temporary container fee at the approved rates.

The Contractor will provide temporary recycling carts, detachable containers and drop-box containers to customers sponsoring special events within the City service area at the approved rates. The Contractor will provide such customers with assistance in determining cart and container needs for solid waste and recyclables at the special events, including site visits and technical assistance to ensure that the maximum Recyclables are collected. The Contractor will coordinate their efforts with the City, and provide such customers and the City with a summary of the volumes and tonnages of materials disposed of and recycled and a recycling rate for the event.

The Contractor will maintain a sufficient temporary recycling cart, recycling container, detachable container and drop-box container inventory to provide delivery of empty carts and containers by the Contractor to temporary customers within seven (7) days after the customer's initial request. If recycling carts, recycling containers, detachable containers and drop-box containers are not provided within seven (7) days of a customer's initial request, the customer will be provided one (1) free week of service on their next regular bill.

(o) Bulky Items and White Goods Collection

On-call collection of bulky waste will be provided by the Contractor at the approved rates. Service will be provided to customers by appointment, which will be within seven (7) business days of a customer's initial request. The items must be placed within five (5) feet of the curb by the customers. The Contractor will notify the customer of this placement requirement at the time of setting the appointment for collection.

The Contractor will maintain a separate log listing service date, materials collected, customer charges, weights, and whether the item was recycled or disposed. This log will be provided to the City on a monthly basis. On-call bulky waste collection must occur during the hours and days specified in Mercer Island City Code in 8.24.020 (Q). The Contractor's crews will make collections in an orderly and quiet manner.

(p) Private Drives and Inaccessible Areas

Standard "Curbside Collection Service" means Contractor's truck can be driven within five feet of all containers. Standard collection of containers is on City maintained streets. When accessible, the Contractor will service residences on private roads and driveways at the additional rates in Attachment A. All property owners along the road and driveway will be required to sign a hold harmless waiver that holds the Contractor harmless from damages to such roads and driveways. For those requested sites that a standard collection truck cannot access, a specialized service vehicle is available.

(q) Special Population Collection Services

Special populations will be served at the carport, back door, or porch at no extra charge. Special populations are defined as a residence in which all occupants are physically disabled to the extent that moving containers to the curb would be difficult or impossible. If a question arises as to eligibility for this service, the City will make the determination. This service is at no extra charge as long as the residence is on a City maintained street. The City's determination will be final.

(r) Inclement Weather

When weather conditions are such that continued operation would result in danger to the Contractor's staff, area residents or property, the Contractor will notify the City by 9:00 a.m. on the same business day of the areas not to be served. Customers affected by non-collection will be notified by the Contractor through an automated phone notification system.

The Contractor will collect Solid Waste, Recyclables and Yard Debris from customers with interrupted service on the customers' next regularly scheduled collection day. Customers may request more immediate collection, by calling the contractor during regular business hours. On the first Saturday that weather conditions allow, the Contractor will compile a collection route and dispatch a truck to collect the carts of those customers. The Contractor will determine whether to use a satellite collection truck or a cart truck. Once a cart has been collected, the Contractor will record the date and time of collection in whatever system the Contractor uses for tracking purposes. The extra collection will be available if there is a service interruption of two (2) days or less during a regular business week.

The cost for this special service will be agreed upon by the City and the Contractor and included in the annual rates in Attachment A.

If interrupted service conditions continue for a second consecutive week, the Contractor will provide, during the second consecutive and each subsequent week of interruptions, at no charge to the City or residents, two (2) solid waste, recycling and yard/food waste drop-off collection sites.

The Contractor will work with the City to locate two accessible sites within the City proximate to the neighborhoods that are impacted. The Contractor will provide all vehicles and staff to operate the collection site and will use separate vehicles for each commodity. The locations will be communicated to the residents on the Contractor's website as well as notices to local newspapers, radio, TV and RPIN. The City will provide notice on the City's website and other electronic means.

(s) Promotion and Education

The City will have primary responsibility for developing, designing and executing public promotion, education and outreach programs, with the assistance and cooperation of the Contractor. The Contractor will have primary responsibility for providing service-oriented information and outreach to customers, distributing City-developed promotional and educational pieces at the City's direction, and implementing on-going recycling promotions, education and outreach programs at the direction of the City.

The Contractor will have a designated service expert and liaison to the City for all of the service sectors, including but not limited to: single-family Residences, multi-family complexes, properties that have a mix of multi-family complex tenants and commercial customer tenant businesses, commercial customers, customer service and customer billings.

The Contractor will maintain a complete list of all multi-family complex and commercial customer sites within the City service area and the status of each site's participation in Contractor-provided services.

The Contractor will annually contact, by telephone or by site visit, the manager or owner of each multi-family complex site to encourage recycling participation, address concerns, space or contamination problems, offer additional or on-going education or training to tenants, and inform the manager or owner of all available services and ways to decrease solid waste generation.

The Contractor will, every two (2) years during the term of this Agreement, beginning in October 2009, follow up with each commercial customer by telephone or in person to address additional concerns, space or contamination problems, and offer additional education or training to tenant businesses. The Contractor will attempt to reach each commercial customer by telephone no more than three (3) times, with a minimum of one (1) day separating each attempted telephone call, at which time. If unsuccessful, the Contractor will conduct a site visit to the commercial customer, if the commercial customer is a local business. The Contractor's educational efforts to commercial customers will include the delivery

of desk side containers for recyclables, developing and covering the cost of necessary signage for desk-side containers, performing waste audits to determine areas that need improvement, and delivering commercial customer program packets to the commercial customers or their tenants, as requested by the commercial customer, a commercial tenant or the City.

Any customer contact will be coordinated with the City and King County promotional efforts. The Contractor will keep written documentation of, and include in the annual reports the requirements directed by the City for multi-family complex and commercial customers, including all customer requests, complaints, inquiries and site visits, including customer name, mailing address and contact information (both telephone number and e-mail, if available), property name and address, if different from mailing address, date of contact or site visit, reason for site visit, results of customer request, complaint, inquiry and/or site visit, container sizes for various materials (i.e., solid waste, recyclables, other source-separated materials, yard debris, etc.) and frequency of collection for various materials before site visit and resulting changes after site visit, additional follow-up needed and follow-up conducted, results of follow-up, and materials provided.

The Contractor agrees to make annual recycling presentations to all seven (7) schools. The content of the presentations will be developed jointly by the City and the Contractor.

Any additional promotional, educational and informational materials provided by the Contractor to customers in connection with the Agreement will be designed, developed, printed and delivered by the Contractor, at the Contractor's cost, and subject to the City's final approval as to method of delivery. The City will review and approve all materials and a minimum of a one (1) week City review period will be included in the Contractor's transition and implementation plan schedule to allow sufficient time for City review and approval.

The Contractor agrees to place new recycling and yard debris instructional decals on all customer carts within six (6) months of the full execution of this Agreement and again in the fourth (4th) year of this Agreement.

(t) Ad Hoc Reports

The Contractor will provide ad hoc reports to the City as set forth in this Section. The Contractor will allow the City staff access to pertinent operations information related to compliance with the obligations of this Agreement, such as vehicle route assignment and maintenance logs. Solid waste, recyclables and/or yard debris/organic waste facility certified weight slips, and customer charges and payments.

The City may request from the Contractor up to three (3) ad-hoc reports each year, at no additional cost to the City. These reports may include customer service database tabulations to identify specific service level or participation patterns or

other similar information for services provided under this Agreement. Reports will be provided in the City-defined format and software compatibility. These reports will not require the Contractor to expend more than forty (40) staff hours per year to complete.

If requested by the City, the Contractor will provide daily route information for all service sectors and collection streams for the purpose of evaluating potential collection system changes during the term of the contract. Information received by the City will be subject to existing laws and regulations regarding disclosure, including the Public Records Act, and will not be counted towards the number of ad-hoc reports the Contractor is obligated to prepare for the City under this Section.

(u) Annual Reports

On an annual basis, the Contractor will provide a report containing the following information for the previous year:

1. A detailed schedule of all customers serviced within the City. The schedule would include name, address, telephone, level of service, containers, last billed rate and any other information deemed necessary by the City.
2. A financial report, certified by the Contractor's area president, which includes a statement of gross income, excluding taxes itemized on customer bills, relating to all services provided under this contract, and the total cost from the customer's perspective of each collection operation by sector, e.g. single-family residence recycling, total volumes collected, total tons collected, total customers at each service level, cost per customer, cost per cubic yard collected and cost per ton collected. These costs will include all aspects of the operation for each sector, including disposal of solid waste and processing of the collected recyclables, yard debris and organic waste.
3. A discussion of the recyclables market conditions and the factors affecting the commodity prices and revenues for the previous year. A statement declaring revenues collected for each type of recyclable for the previous calendar year will be included with year ending and beginning market values on a per ton basis.

(v) Contract Administration

This Agreement will be administered by the City. The City Manager or designee will be the Contractor's contact with City Officials with respect to matters of contract administration.

(w) Contractor's Responsibilities

The Contractor will be responsible for all services and requirements set forth in this Agreement, including, but not limited to:

- Collecting solid waste in the City service area and delivering the solid waste to the King County Disposal System, unless otherwise directed by the City.
- Collecting, processing and marketing recyclables, yard debris and organic waste collected by the Contractor in the City service area.
- Providing cart and container assembly, maintenance, stickering/labeling and re-stickering/labeling and delivery services.
- Performing customer service, including answering telephone calls and e-mails, providing information on services, establishing customer accounts and providing appropriate customer support.
- Billing, receiving and posting customer payments and deposits.
- Procuring all equipment and bearing all start-up, operating and maintenance costs for collection and processing or disposal of solid waste, recyclables, yard debris and organic waste, including proper safety equipment and insurance for vehicles and workers.
- Providing and supervising all labor to accomplish the scope of services required under this Agreement, including labor to collect materials, maintain equipment and provide customer service functions.
- Replacing the six trucks used to serve Mercer Island during the term of this Agreement, with the first replacement to take place no later than the end of 2010. The City wishes to be among the first of Allied's municipal customers to be served by a "green" technology truck, and for this acquisition to be made at the earliest possible time.
- Operating a maintenance facility to house and service collection equipment and acquiring all necessary land use, building, operating, and business permits and licenses.
- Submitting all informational materials for public release to the City for review and approval prior to release.
- Complying with all applicable municipal, county, state and federal laws.
- Meeting all environmental standards and regulations.
- Complying with all WISHA, OSHA and FLSA requirements and standards.
- Meeting all non-discrimination standards.
- Providing operating and safety training for all personnel, including first aid training for all supervisory personnel.
- Providing a safe working environment and comprehensive liability insurance coverage as set forth in Section 7.5, and providing proof of this insurance to the City annually.
- Providing a valid Contractor's performance and payment bond in accordance with Section 7.6, and providing proof of this bond to the City annually.
- Securing the prior written approval of the City and surety before assigning or pledging money, or assigning, subcontracting or delegating duties.
- Providing route maps to the City indicating the day of week for each service for each sector.
- Submitting collection day changes to the City for review and approval prior to notice being provided to customers and the change taking place.

- Submitting prompt notices to the media regarding modifications to the collection schedule due to inclement weather.
- Maintaining containers, vehicles and facilities in a clean, properly labeled and sanitary condition.
- Meeting all City reporting, inspection and review requirements.
- Providing funding and assistance for public education and outreach materials and programs, and distribution and delivery.

(x) City's Responsibilities

The City will be responsible for requirements set forth in this Agreement, including, but not limited to:

- Overall project administration and final approval of Contractor services and activities.
- Reviewing and approving Contractor compensation adjustments due to changes in County or other disposal fees or price indexes.
- Directing and overseeing public education and outreach with the cooperation and assistance of the Contractor.
- Monitoring and evaluating collection operations with the cooperation and assistance of the Contractor.
- Reviewing and approving all assignment, pledging, subcontracting or delegation of money or duties.
- Reviewing and approving collection days and rate changes.
- Reviewing and approving holiday schedule changes.
- Reviewing and approving all written or other informational materials used by the Contractor.
- Conducting annual performance reviews of the Contractor with the Contractor's cooperation and assistance in accordance with Section 3.1.26.
- Holding periodic operations meetings with the Contractor, as necessary.

(y) Program Modification

If after the full execution of this Agreement any recycling collection procedures or equipment is found to be at variance with City rules, regulations, or ordinances, then the City Manager or designee will decide whether said variance impacts public health or safety. If so, immediate actions will be taken for compliance including, as a last resort, discontinuing service. If a program variance does not impact public health or safety, one hundred eighty (180) days will be allowed to remedy the variance. During this period, Contractor will present the City with remedial options and costs and the City will examine possible ordinance changes.

3. Company Name

Contractor will not use a firm name containing the words "Mercer Island," "City," or any words implying municipal ownership.

persons acting on its behalf all costs, expenses, fees, charges, reasonable attorney fees, reasonable expert witness fees, and payment for all damage of any personal or real property, including damages from loss of use, and arising from the negligent acts or omissions of the Contractor, its agents, subcontractors, or persons acting on its behalf in performing under this Agreement, but excluding only those losses resulting from the negligence of the City.

- b. This indemnification agreement includes the promise that the Contractor will indemnify, defend, and hold harmless the City, its elected and appointed officials, employees and agents (including reimbursing the City for all costs and reasonable attorney's fees) from any and all damages, claims, or demands of any kind on account of a violation of city, county, state or federal laws relating to environmental health except only for a loss resulting solely from the negligence of the City.
- c. Notwithstanding subsections (a) and (b) above, the indemnification obligations of Contractor to the City will not extend to any losses, damages, claims or demands of any kind resulting from (i) the presence of hazardous waste (other than "household hazardous waste") or Excluded Waste in containers utilized by the City and disposed of by the Contractor pursuant to the provisions of the Agreement, or (ii) the City's directive that all waste collected pursuant to the Agreement will be disposed of at a site designated by the City.

10. Performance Bond or Irrevocable Letter of Credit

The Contractor, before the effective date of the Agreement, will file with the City Clerk of the City of Mercer Island, a Performance Bond approved as to form by the City Attorney in the amount of 20% of estimated annual gross revenues, executed by itself as principal and by a surety company authorized to do business in the State of Washington as a surety. Such bond will be conditioned that Contractor will faithfully and fully perform all its obligations under this Agreement, and pay all laborers, mechanics, subcontractors and all persons who will supply Contractor with provisions and supplies for carrying on such work, or be forfeited, and will indemnify the City against any loss resulting from any failure of performance by the Contractor. Said Performance Bond will be an annual bond renewable annually by certificate and will remain in force during the term of the Agreement. The Contractor, at its option, may provide an Irrevocable Letter of Credit for the same amount in lieu of a performance bond in an amount equal to any performance bond required under this Agreement. The Irrevocable Letter of Credit will be subject to approval by the City Attorney as to such form as deemed appropriate to protect the City's interest in this Agreement.

11. Insurance

The Contractor will procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. The cost of such insurance will be paid by

4. Exclusive Contracting Rights

Contractor will have the exclusive right to collect, haul and transport solid waste, recyclables (except from commercial establishments), and yard waste within the City of Mercer Island for disposal and/or processing within or without the City, for the term of the Agreement and in accordance with the provisions hereof and only the Contractor will be allowed to provide such City contracted services within the City of Mercer Island during the term.

5. Service Availability

Solid waste, recycling, and yard waste collection service will be made available by Contractor to all persons within the City of Mercer Island, who wish to dispose of solid waste, recyclables and yard waste, for such collection, transport, hauling and disposal/processing.

6. Term

The term of this Agreement is ten (10) years, starting on the Date of Commencement.

7. Assignment

Neither the Agreement nor any interest in the rights or responsibilities of the Contractor hereunder will be sold, assigned, transferred or sublet either voluntarily or involuntarily without the prior written consent of the City, nor will any interest in the Contractor's business affected by this Agreement be sold without such consent having been given; provided however that the Contractor may assign this Agreement to an affiliate without the City's prior written consent. In either event, the City's approval may be conditioned on an appropriate bond to be supplied by Contractor and/or the purchaser to cover the change in circumstances. The City's consent will not be unreasonably denied.

8. Breach of Contract

In the event that the Contractor fails to comply with the Agreement or any obligation assumed by it, and in the event that it fails to correct such breach within 30 days after written notice is given of such breach, then the City may, without impairing any other of its rights hereunder, cancel, terminate, forfeit or render the Agreement null and void, and may proceed against the bond furnished by the Contractor hereunder.

9. Hold Harmless and Indemnity

a. The Contractor will indemnify, defend, and hold harmless the City, its elected and appointed officials, employees, and agents from any and all damages, claims, or demands, of any kind, arising from injury, accident or death of any and all persons including City employees, elected and appointed officials and agents, and all third parties; and including in said hold harmless reimburse to the City, its agents, and all

the Contractor.

- a. Minimum Limits of Insurance
 - i. Comprehensive General Liability: \$3,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage, and \$4,000,000 aggregate.
 - ii. Automobile Liability \$3,000,000 combined single limit per accident for bodily injury and property damage.
 - iii. Workers' Compensation coverage as required by the Workers' Compensation Act of the State of Washington.
- b. Policies. The policies are to contain, or be endorsed to contain, the following provisions:
 - i. General Liability and Automobile Liability Coverages
 - A. The City, its officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage will contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.
 - B. The Contractor's insurance coverage will be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers will be in excess of the Contractor's insurance and will not contribute with it.
 - C. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.
 - D. Coverage will state that the Contractor's insurance will apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - ii. All Coverages. Each insurance policy required by this clause will state that coverage will not be suspended, voided, canceled by either party, reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to the City.
 - iii. Acceptability of Insurers. Insurance is to be placed with an insurer acceptable to the City.
 - iv. Verification of Coverage. Contractor will furnish the City with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the City before work commences. The City reserves the right to require complete copies of all required insurance policies, at any time.
 - v. Subcontractors. Contractor will include all subcontractors as insureds under its policies or will furnish separate certificates for each subcontractor. All coverages for subcontractors will be subject to all of the requirements stated herein.

12. Permits and Licenses

The Contractor will obtain at its own expense all permits and licenses required by law or ordinance and maintain the same in full force and effect during the term of the Agreement.

13. Supervision of Agreement

The performance by Contractor under the Agreement will be under the general direction of the City Manager or designee who will be the contact person for all matters relating to the Agreement including but not limited to any required notices, correspondence, communications or actions.

Independent Contractor

The Contractor is and will be at all times during the term of this Agreement an Independent Contractor and the City will be neither liable nor obligated to pay Contractor sick leave, vacation pay, or any other benefit of employment nor to pay any social security or other tax that may arise as an incident of employment. The Contractor will pay all income and other taxes as due.

14. Disposal/Processing Facilities

- a. All solid waste collected within Mercer Island City limits for disposal will be hauled to and deposited at a site(s) or facility(ies) designated by the City. No solid waste collected within the City may be diverted from the designated disposal site without the City's approval, except for solid waste eliminated through waste reduction or waste recycling activities consistent with the King County Comprehensive Solid Waste Management Plan. In making such deposits, Contractor will comply with all rules and regulations promulgated by Seattle-King County Health Department and/or the State Department of Ecology, with all rules and regulations promulgated by King County to regulate solid waste disposal operations and with all other applicable federal, state and local environmental health laws, rules or regulations.
- b. Contractor will be responsible for the safe and legal disposal of any solid waste rejected for delivery by King County for failing to comply with applicable laws, rules and regulations set forth in subsection (a) above. In the event the City notifies the Contractor of a violation of the disposal requirements, the Contractor will, to the extent it deposited such solid waste, immediately take steps to remedy the violation and to prevent similar further violations. This will include, if necessary, removing the waste and disposing of it at an approved facility.
- c. Contractor will indemnify and hold the City harmless for the Contractor's dumping and any subsequent removal of any solid waste dumped in an unauthorized location.

- d. Contractor will cooperate with the City or the County in the event the City so contracts with the County, in the enforcement of all City ordinances regulating the disposal of solid waste.
- e. The Contractor will be responsible for delivery of recyclables and yard waste materials collected from customers to processing facilities and will be responsible for the applicable fees charged at such facilities. The processing facilities will have all applicable local, state and federal permits.
- f. Recyclables and yard waste collected within the City limits pursuant to this Agreement will be processed and marketed and will not be disposed of in any solid waste landfill. The City will approve Contractor's request to waive this condition if the Contractor convincingly demonstrates the material's condition precludes recycling due to contamination; or if the Contractor shows that after diligent effort, the Contractor is unable to locate a market for the material.

15. Contractor Office

Contractor will establish and maintain a local office or such other facilities through which it can be contacted, where service may be applied for, and complaints can be made. It will be equipped with sufficient telephones, will have well-trained responsible persons in charge during collection hours, and will be open during collection hours, to be not less than eight (8) hours a day and five (5) days a week. A telephone response machine with a recording will be in operation when the office or telephone is not staffed. Staff qualified to research and answer billing questions will be available during collection hours and billing information will be immediately accessible to both office staff and customer, as appropriate.

The Contractor will maintain a principal office in King County within fifteen (15) miles of the City limits. The Contractor's office and customer service assistance will be accessible by a local area code and prefix phone number. The Contractor's office hours will be open at a minimum from 8 a.m. to 5 p.m. daily, except Saturdays, Sundays and designated holidays. Representatives will be available at the Contractor's local office during office hours for communication with the public and the City's representatives. Customer calls will be received during office hours by a person, not by voice mail. During all non-office hours, the Contractor will have an answering or voice mail service available to record messages from all incoming telephone calls. The Contractor will have a representative, or an answering service to contact such representative, available at the emergency telephone number during all hours other than normal office hours.

The Contractor will maintain a twenty-four (24) emergency telephone number for use by the City. The Contractor will have a representative, or an answering service to contact such representative, available at such emergency telephone number for City-use during all hours, including normal office hours.

16. Contractor's Personnel

- a. Contractor will assign a qualified person(s) to be in charge of its operations in the City and will designate said person(s), in writing, so the City will be advised, at all times, of who the Contractor has assigned to be in charge of City operations.
- b. All workers employed by Contractor will be competent and skilled in the performance of the work to which they are assigned. Failure or delay in the performance of the Agreement due to any inability by Contractor, for any reason, to obtain workers of the number and skill required may be deemed by the City to constitute a default of the Agreement.
- c. Contractor will require its employees to be courteous at all times, to not use loud or obscene language and to do their work as quietly as possible.
- d. Employees, in collecting solid waste, recyclables, and yard waste will follow the regular walks for pedestrians while on private property, returning to the street or alley after replacing the empty cans. They will also replace all solid waste, recycling, and yard waste containers and covers to the same location from which they were picked up and close all gates opened by them.
- e. Employees will not trespass or loiter, cross property to adjoining premises, or meddle with property that does not concern them.
- f. Each employee will, at all times, carry a valid operator's license for the type of vehicle he or she is driving.
- g. If a person employed to perform work by the Contractor will be determined incompetent, negligent, discourteous, or otherwise unsatisfactory, he or she will be removed from the performance of work under the Agreement. If the City will notify the Contractor in writing that any person employed under the Agreement is, in its opinion, incompetent, disobedient, disorderly, discourteous or otherwise unsatisfactory, such person will be removed and will not again be employed on the work of the Agreement except with the prior consent of the City; provided, this Section will be interpreted and enforced in such a manner as will respect and give affect to agreements on such subject between Contractor and any union representing all or any of its employees.
- h. Contractor will provide operating and safety training for all personnel. Supervisory personnel will be trained in first aid and each vehicle will be equipped with a first aid kit.
- i. No person will be denied employment by Contractor or discriminated against, for promotion or otherwise, for reasons of race, gender, creed, religion, sexual orientation or national origin.

17. Complaints

All complaints will be investigated by Contractor within 24 hours. When a complaint is received on a day preceding a holiday or a weekend, it will be investigated on the next working day.

Contractor will provide the City with a written description of the procedures used to respond to complaints. Contractor will record the day and the hour on which the complaint was received and the day on which it was investigated. These records will be maintained and available for the City's review for the duration of this Agreement. The Contractor will provide the City an annual summary of complaints received and their disposition.

If the Contractor is unable to resolve the complaint to the customer's satisfaction, notice will be given to the City of the dispute and the City will have the option to intervene in the dispute. Any disputes between customers and the Contractor that are not resolved through the City's intervention will be resolved under the rules of the American Arbitration Association or through the City's Neighborhood Mediation Program, at the City's discretion.

18. Customer Service Representative Staffing

During office hours, the Contractor will maintain sufficient staff to answer and handle complaints and service requests from at least ten (10) incoming telephone calls at one time and, in addition, a telephone answering system capable of accepting an additional minimum of six (6) incoming telephone calls at one time. During office hours, customers will not be required to navigate automated telephone answering option branches in order to speak with a customer service representative, but will be routed directly to a customer service representative. If incoming telephone calls necessitate, the Contractor will increase staffing levels as necessary to meet customer service demands. The Contractor will also maintain sufficient staff to answer and handle complaints and service requests made by letter or e-mail. If staffing is deemed to be insufficient by the City to handle customer complaints and service requests, the Contractor will increase staffing levels to meet performance criteria.

19. Service Recipient Complaints and Requests

The Contractor will record all complaints and service requests, regardless of how received, including date, time, customer's name and address (if the customer is willing to give this information), method of transmittal, and nature, date and manner of resolution of the complaint or service request in a computerized daily log. Any telephone calls received via the Contractor's non-office hours voice mail or answering service will be recorded in the log the following business day. The Contractor will make a conscientious effort to resolve all complaints within twenty-four (24) hours of the original call or e-mail, and service requests within the times established throughout this Agreement for various service requests. If a longer response time is necessary for resolving complaints

or requests, the reason for the delay will be noted in the log, along with a description of the Contractor's efforts to resolve the complaint or request. The customer service log will be available for inspection by the City, or its designated representatives, during the Contractor's office hours, and will be in a format approved by the City. The Contractor will provide a copy of this log in an electronic format from the Microsoft Office suite of software to the City with the monthly report.

20. Handling of Customer Calls

All incoming telephone calls will be answered promptly and courteously, with an average speed of answer of less than forty-five (45) seconds. No telephone calls will be placed on hold for more than two (2) minutes, and on a monthly basis, no more than 10% of incoming telephone calls will be placed on hold for more than forty-five (45) seconds. A customer will be able to talk directly with a customer service representative when calling the Contractor's customer service telephone number during office hours without navigating an automated phone answering system. An automated voice mail service or phone answering system may be used when the office is closed.

21. Corrective Measures

Upon the receipt of customer complaints in regards to busy signals or excessive delays in answering calls, the City may request and the Contractor will submit a plan to the City for correcting the problem. Once the City has approved the plan, the Contractor will have sixty (60) days to implement the corrective measures. Reasonable corrective measures will be implemented without additional compensation to the Contractor. Failure to provide corrective measures will be subject to liquidated damages.

22. Full Knowledge of Solid Waste, Recycling, Yard Debris and Organic Waste Programs Required

The Contractor's customer service representatives will be fully knowledgeable of all collection services available to the City's customers, including the various services available to single-family residence, multi-family complex and commercial customers. For new customers, customer service representatives will explain all solid waste, recyclables, yard debris and organic waste collection options available depending on the sector the customer is calling from. For existing customers, the representatives will explain new services and options, and resolve recycling issues, collection concerns, missed pickups, container deliveries, and other customer concerns. Customer service representatives will be trained to inform customers of recyclables, yard debris and organic waste preparation specifications. City policy questions will be immediately forwarded to the City for response.

The Contractor's customer service representatives will have instantaneous electronic access to customer service data and history to assist them in providing excellent customer service.

23. Monitoring and Evaluation

The Contractor will have a City-approved program in place to monitor and evaluate the quality of customer service, to determine customer satisfaction from the various service sectors (i.e., single-family residence, multi-family complex and commercial customers), and overall customer satisfaction with the Contractor's services, that is separate and above that which is required in Section 3.1.26. Other monitoring and evaluation methods may include random customer surveys, periodical monitoring of customer service and other such methods, with preference given to statistically valid methods. The Contractor will work with the City to monitor and ensure that high levels of customer service are demonstrated throughout the duration of the Agreement and that the minimum customer satisfaction rating is maintained at eighty percent (80%), less the relevant margin of error, or higher, as required in Section 3.1.26. A record of all monitoring and evaluation programs will be maintained and forwarded to the City upon request. The City and Contractor will mutually agree on how to measure the 80% satisfactory rating.

24. Litter

Care will be taken in the loading and transportation of solid waste, recyclables, and yard waste, so that none of the material to be collected is left either on private property or on the streets or alleys. Any solid waste, recyclables or yard waste left on private property or on streets or alleys by the Contractor will be cleaned up upon notice from the customer, the City Manager or designee.

All loads collected by the Contractor will be completely contained in collection vehicles at all times, except when material is actually being loaded. Hoppers on all collection vehicles will be cleared frequently to prevent the occurrence of unnecessary blowing, leakage or spillage.

Any leakage or spillage of materials that occurs during collection will be immediately cleaned up by the Contractor at its expense. Leakage or spillage not immediately cleaned up will be cause for liquidated damages, as described in Section 5.1.2.

25. Hauling

All solid waste, recyclables, and yard waste hauled by the Contractor will be so contained, tied or enclosed so that leaking, spilling or blowing are prevented. In the event of any spillage, the Contractor will immediately clean up the spillage or litter.

26. Notification

Contractor will provide customers with necessary information about solid waste, recyclables and yard waste collection opportunities, complaint procedures, rates, regulations, days of collection, household hazardous wastes and any other pertinent information. Solid waste, recyclables or yard waste left purposely by the Contractor must be tagged to indicate why it was not picked up.

27. Routes and Schedules

The Contractor will establish efficient collection routes and will upon request provide the City with maps and schedules of collection routes and keep such information current at all times. All schedules will be subject to mutual agreement by the Contractor and the City. It will be the customer's responsibility to place his or her solid waste, recyclables and yard waste within five feet of the curb on publicly owned streets, or at another location agreed to by the Contractor and the City, for collection before the approved starting hour. The starting hour for residential collection will not be earlier than 7:00 a.m. In the event of changes in routes or schedules that will alter the day of pickup, the Contractor will so notify each customer affected by mail not less than one week prior to the change.

28. Access and Audit

Contractor will at all times cooperate with the City. Contractor will keep records of solid waste, recyclables, and yard waste collected pursuant to this Agreement and the City will have the right to audit those records, either by a member of the City's staff or the City's designated auditor. Contractor will be required to retain these records for five (5) years.

- a. Contractor will maintain, in its office, full and complete accounting records, prepared in accordance with generally accepted accounting principles, reflecting Contractor's work on this Agreement.
- b. The City will have access to the Contractor's office, records and operating facilities at any reasonable time, to enable the City to review and monitor Contractor's performance of this Agreement contract.
- c. The City may require an audit of the Contractor's books and records relating to this Agreement at any reasonable time. Such audit will be conducted by the City and/or by a consultant agreed to by the City and the Contractor. The City will pay for the audit unless the audit discloses noncompliance with any material, term or condition of this Agreement, in which case the Contractor will pay for all auditing costs.
- d. Information from the review and/or audit of the Contractor's records will be kept confidential, except as disclosure may be required by public disclosure laws.

29. Missed Service

In the event the Contractor, at any time during the term of the Agreement, will neglect, fail, or refuse to collect and remove solid waste, recyclables, or yard waste as herein provided, in full accordance with the provisions of the Agreement, for any reason or cause whatsoever (other than force majeure as described in Section 58), the City may immediately, upon written notice to the Contractor, require all such materials to be collected and removed by whatever means may be available at the sole cost of the

Contractor.

If solid waste, recyclables, yard debris or organic waste are set out inappropriately, improperly prepared or contaminated with unacceptable materials, the Contractor will place, in a prominent location, a written notification tag that identifies the specific problem(s) and reason(s) for rejecting the materials for collection. Failure to provide proper written notification to customers regarding the reason for rejecting materials for collection will be considered a missed collection and/or subject to automatic penalties due to lack of proper customer notification.

The failure of the Contractor to collect solid waste, recyclables, yard debris or organic waste that has been set out by a customer in the proper manner will be considered a missed collection and the Contractor will collect the materials from the customer on the same day if notified by noon, otherwise the collection will occur on the next business day. Customers giving notice after noon on Fridays will hear a message that their materials will be collected on the following Monday. The Contractor will maintain a written and electronic record of all calls related to missed collections and the response provided by the Contractor. Such records will be made available for inspection upon request by the City and the information will be included in monthly reports. (See Reporting requirements set forth in Section 3.3.4).

In the event that the Contractor fails to collect the missed collection within twenty-four (24) hours of receipt of notice (or on Monday in the event of notification after noon on Friday), the Contractor will collect the materials as soon as possible and will provide single-family residence customers one (1) month of free service on their next regular bill at their subscribed service level, or in the case of multi-family complexes and commercial customers, the Contractor will provide one (1) week of free service on their next regular bill at their subscribed service level. If the Contractor is requested by the customer to make a return trip due to no fault of the Contractor, the Contractor will be permitted to charge the customer an additional fee for this service, provided the Contractor notifies the customer of this charge in advance and the customer agrees to payment of the return trip fee.

30. Frequency of Collection

a. Solid Waste

Contractor will make at least one collection each week of solid waste, Monday through Friday, at all places of residence inside the corporate limits of the City of Mercer Island. Collection at all other buildings, places of business, or premises where solid waste is accumulated or generated will be made daily, Monday through Saturday, if necessary or requested, otherwise with such frequency as may be necessary to keep such place or premises free of any nuisance or violation of any ordinance, regulation or law. Collection on Saturday in nonresidential areas may be limited to a later starting time at the discretion of the City.

If any scheduled residential collection falls on a holiday observed by Contractor, the

Contractor will collect either on that day or on the day preceding or on the day following the holiday or on the following Saturday. No pickup will be made in any residential zone before 7:00 a.m. or after 10:00 p.m. If the City determines that these times are unsatisfactory, the City may, in its discretion, establish other reasonable collection times.

b. Recyclables

Recyclables will be collected every other week alternating with yard waste collection (as outlined below) and will be on the same day of the week as solid waste collection. All other scheduling provisions as regards holidays and time of pick-up will be as indicated under subsection (a) above.

c. Yard Waste

Yard waste will be collected every other week alternating with recyclables collection (as outlined above) and will be on the same day of the week as solid waste collection. All other scheduling provisions as regards holidays and time of pick-up will be as indicated under subsection (a) above.

31. Collection Equipment

Contractor will provide an adequate number of vehicles approved by the City for regular collection services. They will be kept in good repair, appearance and in a sanitary condition at all times. Each vehicle will have clearly visible, on each side, the name and phone number of the Contractor and a suitable logo, to be approved by the City. All vehicles used for hauling solid waste, recyclables and yard waste will be leak-proof and enclosed so as to prevent spilling or windblown litter. Any vehicle found not to comply with the above provisions will be taken out of service and brought to standards before being placed back in City service.

All collection equipment will have appropriate safety markings, including all highway lighting, flashing and warning lights, clearance lights, and warning flags, all in accordance with current statutes, rules and regulations. Equipment will be maintained in good condition at all times. All parts and systems of the collection vehicles will operate properly and be maintained in a condition compliant with all federal, state and local safety requirements and be in a condition satisfactory to the City. The Contractor will maintain collection vehicles to ensure that no liquid wastes (such as solid waste, yard debris or organic waste leachate), or oils (lubricating, hydraulic or fuel) are discharged onto customer premises or City streets. Any equipment not meeting these standards will not be used within the City until repairs are made.

No advertising will be allowed on Contractor vehicles other than the Contractor's name, logo and customer service telephone number and website address, unless otherwise approved by the City. Special promotional messages may be permitted, either painted directly on vehicles or on special placards attached to vehicles, upon the City's prior written approval and will be required at the City's direction. All collection vehicles will

be labeled with a sign on the rear, with lettering not less than four (4) inches high and clearly visible from a minimum of twenty (20) feet away, stating "Complaints? Call 206-682-9730," or as amended by the City. The truck inventory number will be displayed adjacent to this message.

32. Approved Containers

Containers from which solid waste, recyclables, or yard waste is collected or hauled will be of the industry-approved standard and as specified in the rate schedule. Contractor may use Contractor-owned wheeled containers of an industry-approved standard, which will also be approved by the City.

The Contractor will maintain an adequate inventory of solid waste, recyclable, and yard waste containers. The services of washing, steam cleaning or sanitizing containers must be made available to commercial customers.

Collection crews will note damaged hinges, holes, poorly functioning wheels and other similar repair needs on Contractor-provided carts (including those for solid waste, recycling and yard debris) and forward written repair notices to the Contractor's service personnel. Cart repairs will then be made within seven (7) days at the Contractor's expense. Any wheeled cart that is damaged or missing on account of accident, act of nature or the elements, fire, or theft or vandalism by other members of the public will be replaced no later than seven (7) business days after notice from the customer or the City. Replacement carts may be used and reconditioned, but will be clean and appear presentable, and will meet the same specifications and requirements as the original carts.

In the event that a particular customer repeatedly damages a cart or requests more than one replacement cart more frequently than a time period allowing for reasonable wear and tear during the term of the Agreement or due to negligence or intentional misuse, the Contractor will forward in writing the customer's name and address to the City. The City will then attempt to resolve the problem. In the event that the problem continues, the Contractor may discontinue service to that customer, on the City's prior written approval.

The Contractor will furnish and install 40-cubic yard detachable containers and 10-, 20-, 30- or 40-cubic yard uncompacted drop-box containers to any customer who requires their use for storage and collection of solid waste, recyclables or yard debris within seven (7) days of the request. The Contractor may change the sizes of the containers it has available if the City has provided prior written approval of such change. Containers will be located on the premises in a manner satisfactory to the customer and for collection by the Contractor.

Detachables will be watertight and equipped with tight-fitting metal or plastic covers, have four (4) wheels for containers 2-cubic yards and under, be in good condition for solid waste, recyclables or yard debris storage and handling, be safe for the intended use, be clearly screened or labeled with the size of the container and have no leaks, jagged edges or holes. Drop-box containers will be all-metal, and if requested by a

customer, equipped with a tight-fitting screened or solid cover operated by a winch in good repair.

Detachable containers will be cleaned, reconditioned and repainted (if necessary) before being supplied to a customer who had not used the container previously. The Contractor will provide an on-call container cleaning service to multi-family and commercial customers. The costs of on-call cleaning will be billed directly to the customer in accordance with Attachment A.

Containers on customers' premises are at the Contractor's risk and not the City's. The Contractor will repair or replace, within twenty-four (24) hours, any container that was supplied by the Contractor and was in use if the City, Health Department inspector or other agent, having safety or health jurisdiction, determines that the container fails to comply with reasonable standards or constitutes a health or safety hazard.

33. Cleaning Facilities

Contractor will provide adequate cleaning facilities on a paved area which is curbed to prevent drainage to surrounding areas and which is provided with an approved catch basin connected to a sanitary sewer system, septic tank or holding tank. Only these facilities will be used for washing and steam cleaning of equipment.

34. Damage to Containers or Property

Contractor will be responsible for loss or damage caused by its employees to any customer's containers and it will replace or repair, to the satisfaction of the City, containers which have been lost or damaged through its negligence.

Contractor will restore to its original condition all private or public property disturbed or damaged by the negligence of the employees of the Contractor in the course or performance of the Agreement, without cost to the City or any subscriber, except for damage to private roadways or driveways for which the Contractor has a hold harmless agreement.

Within a reasonable time after a customer's request, the Contractor will replace, at its cost, all containers provided by the Contractor which are damaged or lost. If it can be established that damage or loss was caused by the negligence of the customer, the Contractor will replace the containers and may bill the customer for the container damage.

Contractor will not litter premises in the process of making collections, but will not be required to collect the material that has not been placed in approved containers or has been dislodged or removed from the container by other than the Contractor's personnel.

35. The City's Facilities

Contractor will remove and dispose of all solid waste, and will collect, process, and market recyclables and yard waste from the following municipally owned or operated buildings, structures and facilities without any charge or cost to the City of any type whatsoever, except as noted below for specialized services:

- 2040 84th Ave. SE (Luther Burbank Park)
- 2101 72nd Ave. SE (Lid Park)
- 3030 78th Ave. SE
- 3600 East Mercer Way
- 4320 88th Ave. SE
- 7710 SE 34th St.
- 8236 SE 24th St.
- 8473 SE 68th St.
- 84TH Ave. SE & SE 78th
- 9601 SE 36th St.
- 9611 SE 36th St.
- Island Crest Park
- Sea Lawn 40th & 81st Holmes

If at any time during the course of the Agreement the services or facilities change significantly, Contractor may request additional compensation from the City during an annual rate adjustment.

For specialized services to the City's Maintenance Department, the Contractor will bill the City for actual services received on a monthly basis, with the bill to include, at a minimum, the date the haul was requested, the date the haul occurred and a copy of the weight slip with the tipping fee listed.

36. Payment of Claims

Contractor agrees and covenants to pay promptly, as they become due, all just claims for labor, supplies and materials purchased for or furnished to Contractor in the execution of the Agreement, and further agrees to comply with all the provisions of federal, state, county and the City's law and ordinances affecting, directly or indirectly, the subject matter of the Agreement.

37. Rates, Charges, Requirements and Regulations

The rates and charges to be collected by Contractor for the services governed by the Agreement are set forth in Attachment A of this Agreement.

38. Administrative Payment/City Taxes

Contractor will pay to the City during the term of the Agreement, a monthly utility tax equal to 7 percent of gross monthly revenues to compensate the City for costs of program management and education programs.

Payment will be received by the City no later than the end of the second month following the month in which billings are mailed.

Contractor will pay to the City during the term of the Agreement all other applicable taxes as set forth in the City Code. Contractor will also be subject to all other provisions of the City Code.

39. Billing

The Contractor will bill and collect fees from the customers based on services rendered by the Contractor. All billing information will be provided by the Contractor in a format approved by the City.

The Contractor will be responsible for providing all customer service functions, including answering customer telephone calls and e-mail requests, informing customers of current, new and optional services and charges, handling customer subscriptions and cancellations, receiving and resolving customer complaints, dispatching drop-box containers, temporary containers and special collections and billing, and maintaining and updating on a monthly basis, or more frequently if necessary, a customer-friendly internet website. These functions will be provided at the Contractor's sole cost, with such costs included in the customer charges set forth in Attachment A.

40. Customer Billing Responsibilities

The Contractor will be responsible for all billing functions related to the collection services provided under this Agreement. All single-family residence customers will be billed at least quarterly, and multi-family complex and commercial customers will be billed monthly. Billing and accounting costs associated with customer invoicing will be borne by the Contractor and are included in the service fees included in Attachment A. The Contractor may bill to customers late payments and "non-sufficient funds" check charges, as well as the costs of bad debt collection, at rates and/or amounts that have been previously approved in writing by the City.

Customers may temporarily suspend service due to vacations or other reasons for as long and as often as desired in one (1) week increments and be billed pro-rata for actual services received.

The Contractor will be responsible for the following:

- Generating combined solid waste, recyclables, yard debris and organic waste collection bills for single-family residence customers.

- Generating combined solid waste, recyclables and yard debris collection bills for multi-family complex and commercial customers.
- Generating bills that include, at a minimum, a statement indicating the customer's current service level, current charges and payments, appropriate taxes and fees, customer service contact information and website information.
- Generating bills that have sufficient space on the front of the bill for educational or informational messaging, as directed by the City.
- Accepting, processing and posting payment data each business day.
- Maintaining a system to monitor customer subscription levels, record excess solid waste or yard waste collected, place an additional charge on the customer's bill for the excess collection and charge for additional services requested and delivered. This system will maintain a customer's historical account data for a period of not less than seven (7) years and in a manner that is instantaneously accessible to customer service representatives needing to refer to customer service data and history.
- Accepting and responding to customer requests for service level changes, missed or inadequate collection services and additional services.
- Collecting unpaid charges from customers for collection services.
- Implementing rate changes as specified in Section 4.3.

The Contractor will be required to have procedures in place to backup and minimize the potential for the loss or damage of the account servicing (customer service, service levels and billing history) database. The Contractor will ensure that, at a minimum, a daily backup of the account servicing database is made and stored off-site. The Contractor will also provide the City with a copy of the customer service database via e-mail or compact disk. The City will have unlimited rights to use the customer service database, including, but not limited to, developing targeted educational and outreach programs, analyzing service level shifts or rate impacts, and/or providing information to successor contractors.

Upon seven (7) days written notice, the Contractor will provide the City with a paper and/or electronic copy, at the City's discretion, of the requested customer information and history, including, but not limited to, customer names, service and mailing addresses, contact information, service levels and current account status.

41. Hazardous Waste Plan Funding

Contractor will bill and collect an additional \$.80 more per residential customer per month and an additional \$9.07 more per commercial customer per month than those rates specified in Appendix C to comply with the King County Health Department's Hazardous Waste Plan Funding Requirements. Contractor will forward such funds collected to King County quarterly. If additional amounts are required in future years to fund the program, Contractor will be permitted to bill and collect such amounts.

42. Rate Adjustments

(a) **CPI and Negotiated Adjustments.**

The rates in Attachment A will be adjusted by 2.8% on October 1 of 2009, excluding disposal and processing fees and any pass-through taxes. Of this amount, 2.1% will carry forward to be used in the next adjustment. On July 1 of 2010 and every July 1 thereafter during the agreement, the rates in Attachment A will be adjusted by multiplying the rates in effect on the prior July 1, excluding disposal and processing fees and any pass-through taxes, by one-hundred percent (100%) of the percentage increase or decrease in the CPI index for the twelve-month period ending the preceding December. The minimum CPI allowed will be 2% and the maximum will 5% beginning in 2013 and through 2019. The CPI to be used will be the Consumer Price Index - All Urban Consumers (CPI-U) published by the United States Department of Labor in January/February. In the event the Department of Labor ceases to publish such an index, a similar index agreeable to both the City and Contractor will be used. An example of rate adjustments due to Consumer Price Index changes is provided in Attachment B.

In addition, the full rate will increase by 5% on July 1 of both 2010 and 2011, and 5.5% on July 1 of 2012. In these years, the full-rate increase and the CPI adjustment will be calculated separately based on the current rate, then added together and applied to the current rate.

The Contractor will submit a Rate Adjustment Statement, in writing and electronic form, to the City for review and verification, calculating the new rates for the next year, on or by May 1st of each year. Should ratepayers not receive advance notification as required in (c) below due to missed deadlines by the Contractor or failure of the City to verify the rates, implementation of the new rates will be delayed by one month without opportunity for recovery of lost revenue.

(b) **Pass-through Adjustment.**

Increases or decreases in the tipping fee charged by King County that may become effective after the date of the Agreement will be passed through to all customers with thirty days advance notice. Increases or decreases in processing fees for yard waste or recyclables will be passed through to all customers with thirty days advance notice, provided they do not exceed the rate of inflation as calculated by the Consumer Price Index used in this Section. If a processing fee increases at a rate greater than the rate of inflation, the Contractor must explain the necessity of the increase and receive written permission from the City prior to increasing customers' rates. The City's approval will not be unreasonably denied. The Contractor will make reasonable efforts to ensure that processing facilities are charging rates that are competitive with comparable facilities in the region.

(c) **Time of notification.**

All commercial and residential customers will be notified by the Contractor a minimum of thirty (30) days in advance of the effective date of any rate changes.

Adjustments to the Contractor's collection service charge will be made in units of one cent (\$0.01). Fractions less than one cent (\$0.01) will not be considered when making adjustments.

At the City's request, the Contractor will conduct a solid waste cart and container weight study for the purpose of determining the amount of disposal fees to be excluded from the annual CPI modification. The solid waste cart and container weight study will cover all containerized service levels and service sectors (i.e., single-family residence, multi-family complex and commercial customers). If the City has requested a solid waste cart and container weight study to be conducted, its completion will be required to receive the annual CPI modification described in this Section. The solid waste cart and container weight study format and methodology will be agreed to by the Contractor and the City, and conducted under the supervision of the City. The container weights included in Attachment A will be used for rate adjustments until a City-requested container weight study is completed.

43. Changes in Disposal, Yard Debris or Organic Waste Processing Sites

Should the Contractor be required by the City or other governmental authority to use disposal, yard debris or organic waste processing sites other than those being used at the initiation of this Agreement, the Contractor will submit a detailed proposal for the adjustment of the rates to reflect any additional cost or savings to the Contractor. The City and Contractor agree to negotiate in good faith any changes to the rates to offset these costs or savings.

Should the Contractor no longer be able to find a processing site for organic waste, after a good faith effort to locate a processing facility acceptable to the City, the City reserves the right to drop the collection of organic waste from this Agreement. At the City's request, the Contractor will submit to the City a detailed proposal for making the service changes and making the adjustments to the rates, reflecting any additional costs or savings to the Contractor, adjusted for inflation. The City and Contractor agree to negotiate in good faith any changes to the Agreement to reflect the changes in collection services and to the rates, as adjusted for inflation, to offset these costs or savings. If after such changes to service and rates the Contractor is able to find a processing site for organic waste or the site that was originally used for processing organic waste is able to resume taking organic waste, the City reserves the right to reinstate the collection of organic waste and the provision of single-family yard debris collected every other week at the rates that would have been in place under this Agreement if no change had occurred, except that if savings continue to exist, such savings will continue to be reflected in the rates.

44. Unusual Changes or Costs

The City and/or the Contractor will retain the right to renegotiate this Agreement based on changes in federal, state or other applicable legislation and regulations that materially modify the terms and conditions of this Agreement.

45. Discontinued Service or Delinquent Accounts

The Contractor may discontinue service to customers as set forth in this section. Persons who have not remitted required payments by the end of the service period billed will be notified on forms approved by the City. Said forms will contain a statement that service may be discontinued 10 days from the date of notice if payment is not made before that time. Upon payment of the delinquent fees, the Contractor will resume collection on the next regularly scheduled collection day.

46. Compliance with Laws

Contractor will conduct operations under this Agreement in compliance with all applicable laws.

47. Bankruptcy

To the extent allowed by law, the Contractor will notify the City in advance of any potential filing for voluntary bankruptcy. The filing for bankruptcy will be deemed a material change in conditions by the City and the City may petition for termination of the Agreement, or appropriate interim relief, including, specifically, continued operation of Contractor's services, as necessary, during the bankruptcy proceedings.

48. Laws to Govern

The Agreement will be governed by the laws of the State of Washington both as to interpretation and performance.

49. Failure to Perform

If Contractor abandons or breaches the Agreement or fails to fully and promptly comply with all its obligations or fails to give any reason satisfactory to the City for noncompliance and fails to correct such breach within thirty days (30) after notice is given by the City, the City may then declare the Contractor to be in default of the Agreement and notify the Contractor to discontinue any further service there under. A copy of said notice will be sent to the Contractor and surety on its performance bond. Upon receipt of any such notice, Contractor agrees that it will promptly discontinue the work, whereupon the surety may, at its option, to be exercised within 5 days from such written notice, assume the work which the City has ordered discontinued and proceed to perform same, at its sole cost and expense, in compliance with the terms and conditions of the Agreement, and all documents incorporated herein. Pending consideration by the surety of said option to assume the work, the City may take possession of all Contractor's equipment and vehicles and employ such force as it may deem advisable to continue the work, and the cost of all labor and materials necessary for such work will be paid by the Contractor in full, provided the City will pay a reasonable monthly rental fee for the use of Contractor's equipment and vehicles.

In the event that the surety fails to exercise its option within the 5-day period, the City may complete the work or any part thereof; whether through its own work force or by contract and the City will have the right to take possession of and use of the vehicles and equipment and property of every kind and nature provided by the Contractor for the work (provided it may pay the rental for equipment and vehicles set forth above) and to procure other vehicles, equipment and facilities necessary for the completion of the same, and to charge the same to the Contractor and/or surety, together with all such additional sums as may be necessary to complete the work, together with any further damages sustained or to be sustained by the City. The City may, at its option, and at the request of Contractor, operate the equipment of Contractor with City forces in the event of a strike, work slow down or work stoppage.

50. Enforcement of Agreement

The City will be entitled to recover from Contractor and surety, and Contractor and surety agree to pay any and all costs, expenses, together with reasonable attorney fees, the City may incur to enforce any of the terms, conditions and provisions of the Agreement.

51. Liquidated Damages

Because a breach of the service provided by the Agreement would cause serious and substantial damage to the City and its occupants, and the nature of the Agreement would render it impracticable or extremely difficult to fix the damage sustained by the City by such breach, it is agreed that in the case of breach of service, the City may elect to collect liquidated damages for each such breach and the Contractor will pay to the City as liquidated damage and not as a penalty, the amounts set forth below, such sums being agreed as the amount in which the City will be damaged by the breach of such service. Liquidated damages are not in lieu of any other remedy provided for in this Agreement.

A truck performing residential collection prior to 7:00 a.m. or after 10:00 p.m.	\$100.00 per truck per day
Failure to collect misses by the next business day after notification to Contractor or within 24 hours	\$100.00 each, not to exceed 10 complaints per truck per day.
Repetition of complaints on a route after notification to replace cans or detachable containers in designated locations, spilling, not closing gate, crossing planted areas, or similar violations.	\$100.00 each, not to exceed 10 complaints per truck per day.
Collection from residential premises on other than day previously specified.	\$100.00 each dwelling unit.
Misrepresentation by Contractor of information required by Section 22.	\$1,000 per substantiated incident.

Failure to attach a correction card notice to non-collected materials.	\$100.00 per incident, to a maximum of \$500.00 per truck route.
Failure to supply the City upon request with a list of complaints on a form approved by the City indicating the disposition of each complaint.	\$100.00 per incident.
Failure to collect spillage consistent with Section 18 and Section 19.	\$100.00 per incident.
Failure to deliver or replace carts and promotional material within 7 days of notice of customer request. Reasonable delays may be approved by the City if deemed appropriate.	\$100.00 per incident.
Failure to mail the annual mailing required under Appendix A by the agreed upon date. Reasonable delays will be granted by the City if deemed appropriate.	\$100.00 per day per item.
Failure to provide monthly or annual reports under Appendix B. The City may grant delays if deemed appropriate.	\$100.00 per day per report.
Failure to remit to the City the amounts owing within the time allowed by Section 32.	\$100.00 per day.
Disposal of uncontaminated recyclables or yard waste without the City's authorization.	\$100.00 per ton with no maximum; minimum of \$100 per incident.

Such liquidated damages as the City elects to collect will be billed to the Contractor monthly. Complaints that prove to be unfounded will not be subject to such liquidated damages. The liquidated damage rates listed above will be adjusted upward or downward on July 1 of 2010 and every July 1st thereafter during the term of the Agreement by multiplying the rates in effect on the prior July 1st by the percentage increase or decrease in the CPI for the twelve-month period ending the preceding March. The CPI to be used will be the Consumer Price Index - All Urban Consumers as published by the United States Department of Labor for the Seattle/Tacoma/Everett Metropolitan area. In the event the Department of Labor ceases to publish such an index for the Seattle/Tacoma/Everett area, then its index for the Puget Sound Region or the State will be used, and if such indices are unavailable, a similar index agreeable to both the City and Contractor will be used.

Automatic damages of free service provided to affected customers will be credited to such customers' accounts on their next regular bill for certain performance failures identified throughout this Agreement, including, but not limited to, failure to deliver requested carts or containers on time, failure to collect missed materials in accordance with performance requirements and failure to properly tag rejected materials. In the event that the Contractor is notified in writing of a failure to perform a service subject to automatic damages of free service credited to the customer's account, the Contractor will

automatically credit that customer's account with the specified term of free service on their next regular bill and notify the customer of the credit in writing. Failure to provide automatic damages of free service credited to the customers' account on their next regular bill when notified in writing will subject the Contractor to liquidated damages.

52. Right to Require Performance

The failure of the City at any time to require performance by Contractor of any provisions hereof will in no way affect the right of the City thereafter to enforce same. Nor will waiver by the City of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

53. Ownership of Materials

Title to recyclables will pass to the Contractor when the materials are placed in the Contractor's container at the curb. The City agrees to enforce Section 407 of Chapter 70.95 RCW regarding any diversion of recyclables that may occur during the term of the Agreement.

54. Provision for Additional Programs for the City

The City and the Contractor agree that over the term of the Agreement the City may choose to add additional services or implement policy changes that may impact rates. For example, the City may implement program changes so as to increase recycling and yard waste participation, change rate design and make other changes. Should the City notify the Contractor of said changes, the City and the Contractor agree to negotiate rates to cover increased costs.

55. Shareholder Information to the City

At the City's request, the Contractor will provide the City with copies of all annual reports that are provided to shareholders of Republic Services Inc. or any subsequent parent company.

56. Emergency Response Services

The City and the Contractor acknowledge that in the event of acts of God emergencies (such as windstorms, floods, earthquakes, etc.), the City may designate the Contractor to provide collection services. Contractor agrees to provide such work, subject to availability of equipment and manpower. The City and the Contractor will agree to an hourly rate at the time of the emergency. The City will be responsible for disposal cost, if any.

57. Illegal Provisions

If any provision of the Agreement is declared illegal, void, or unenforceable, the other provisions will not be affected and will remain in full force and effect.

58. Force Majeure

Neither party will be liable to the other for any delay in or failure of performance of any of its obligations hereunder, except as may be specifically provided herein, where performance of such obligations is prevented or delayed by acts of God, fire, explosion, strike, lock-out, accident, flood, epidemic, war, riot, rebellion, restraints or injunctions, or other legal processes from which a party affected cannot reasonably relieve itself by security or otherwise.

59. Modification

The Agreement constitutes the entire agreement and understanding between the parties hereto, and it will not be considered modified, altered, changed, or amended in any respect unless in writing and signed by the parties hereto.

60. Disagreements

All disputes and/or disagreements, arising under the Agreement will be referred to the City Manager and resolved by the City Manager or duly authorized representative. The decision of the City Manager will be final and binding, and any appeal will be solely to the King County Superior Court Mandatory Arbitration Procedures or similar mandatory arbitration procedures to resolve all disputes following final action by the City Manager, excepting only matters of immediate emergency requiring petition to the King County Superior Court for immediate injunctive or restraining order relief. That party prevailing on its claim or claims will be entitled to recover all of its reasonable costs and reasonable attorney fees. The jurisdiction of any arbitrator appointed under this clause will not be limited by any existing mandatory arbitration damage award amount, or any limitation with respect to awarding specific relief.

61. Sustainability Provision

The City and Contractor agree to use their best effort to promote sustainability practices wherever and whenever possible and feasible.

EXECUTED the day and year first above mentioned.

Followed by:

- *Signature Page*
- *Attachment A: Rates*
- *Attachment B: Example of CPI Calculation and Rate Adjustment*

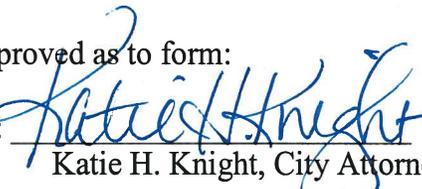
IN WITNESS WHEREOF, the parties have executed this Agreement on the 1st day of October, 2009.

RABANCO LTD
DBA ALLIED WASTE OF BELLEVUE

CITY OF MERCER ISLAND

By: 
Tim Stuart
Allied Waste Area President
Vice President
Rabanco LTD

By: 
Rich Conrad
City Manager

Approved as to form:
By: 
Katie H. Knight, City Attorney

ATTACHMENT A

Residential Rates Effective October 1, 2009

	1	2	3	4	5	6	7	8	9	10
	Current Rates Effective 7/1/2008	Garbage Lbs per Customer per Month	Garbage Tipping Fee at \$96.43 per Ton	Recycle & Yardwaste Tip Fee	Current Rates Less Tipping Fees	2.80% CPI	Rate After CPI	0.00% Rate Increase	Rate Effective 10/1/2009	Percentage Change
Residential Service										
1 32 Gallon Can	18.57	82.38	3.97	3.38	11.22	0.31	19.22	-	19.22	3.5%
2 32 Gallon Cans	30.04	131.80	6.35	5.47	18.22	0.51	30.55	-	30.55	1.7%
3 32 Gallon Cans	39.76	214.18	10.33	7.24	22.19	0.62	40.38	-	40.38	1.6%
4 32 Gallon Cans	49.48	296.56	14.30	9.01	26.17	0.73	50.21	-	50.21	1.5%
5 32 Gallon Cans	59.22	378.93	18.27	10.78	30.17	0.84	60.06	-	60.06	1.4%
6 32 Gallon Cans	68.92	461.31	22.24	12.54	34.14	0.96	69.88	-	69.88	1.4%
Additional 32 Gallon Can	7.42	82.38	3.97	1.35	2.10	0.06	7.48	-	7.48	0.8%
20 Gallon Mini-Can/Cart	10.28	49.43	2.38	1.87	6.03	0.17	10.45	-	10.45	1.7%
32 Gallon Cart	19.22	82.38	3.97	3.50	11.75	0.33	19.22	-	19.22	0.0%
64 Gallon Cart	30.04	131.80	6.35	5.47	18.22	0.51	30.55	-	30.55	1.7%
96 Gallon Cart	37.61	214.18	10.33	6.85	20.43	0.57	38.18	-	38.18	1.5%
Oversized Can (per can per month)	14.51	49.43	2.38		12.13	0.34	14.85	-	14.85	2.3%
Extra Can/Bag/Bundle (each)	4.73	49.43	2.38		2.35	0.07	4.80	-	4.80	1.5%
Return Trip (each)	10.69				10.69	0.30	10.99	-	10.99	2.8%
Inclement Weather Pickup (each commodity)					-	-	10.00	-	10.00	
Re-deliver Fee (each)	15.30				15.30	0.43	15.73	-	15.73	2.8%
Walk in/Carry out (per 25 feet per month)	0.46				0.46	0.01	0.47	-	0.47	2.2%
Drive In (per month)	7.93				7.93	0.22	8.15	-	8.15	2.8%
Stairs (per can per stair per month)	0.34				0.34	0.01	0.35	-	0.35	2.9%
Special Pickup/Bulky Items (per hour)	147.03				147.03	4.12	151.15	-	151.15	2.8%
Extra Person (per person per hour)	57.47				57.47	1.61	59.08	-	59.08	2.8%
<hr/> Column 3 = Column 2 / 2000 * (\$95 + 1.5%) Column 4 = Column 1 * 18.2% Column 5 = Column 1 - Column 3 - Column 4 Column 6 = Column 5 * CPI% Column 7 = Column 1 + Column 6 Column 8 = Column 7 * Rate Increase % Column 9 = Column 7 + Column 8 Column 10 = (Column 9 - Column 1) / Column 1										

Commercial Rates Effective October 1, 2009

	1	2	3	4	5	6	7	8	9	10
	Current Rates Effective 7/1/2008	Garbage Pounds per Service Level	Garbage Tipping Fee at \$96.43 per Ton	Recycle & Yardwaste Tip Fee	Current Rates Less Tipping Fee	2.80% CPI	Rate After CPI	0.00% Rate Increase	Rate Effective 10/1/2009	Percentage Change
Commercial Service										
32 Gallon Cart (per pickup)	2.05	19.01	0.92	0.37	1.13	0.03	2.08	-	2.08	1.5%
64 Gallon Cart (per pickup)	5.02	30.42	1.47	0.91	3.55	0.10	5.12	-	5.12	2.0%
96 Gallon Cart (per pickup)	5.53	49.43	2.38	1.01	3.15	0.09	5.62	-	5.62	1.6%
1 Yard (per pickup)	13.84	123.38	5.95	2.52	7.89	0.22	14.06	-	14.06	1.6%
1.25 Yard (per pickup)	15.70	154.23	7.44	2.86	8.26	0.23	15.93	-	15.93	1.5%
2 Yard (per pickup)	23.99	246.76	11.90	4.37	12.09	0.34	24.33	-	24.33	1.4%
3 Yard (per pickup)	35.74	370.14	17.85	6.50	17.89	0.50	36.24	-	36.24	1.4%
4 Yard (per pickup)	47.44	493.52	23.79	8.63	23.65	0.66	48.10	-	48.10	1.4%
6 Yard (per pickup)	58.51	740.28	35.69	10.85	22.82	0.64	59.15	-	59.15	1.1%
8 Yard (per pickup)	73.21	987.04	47.59	13.32	25.62	0.72	73.93	-	73.93	1.0%
Extra 1 Yard (per pickup)	16.51	123.38	5.95	3.00	10.56	0.30	16.81	-	16.81	1.8%
Extra 1.25 Yard (per pickup)	18.31	154.23	7.44	3.33	10.87	0.30	18.61	-	18.61	1.6%
Extra 2 Yard (per pickup)	28.31	246.76	11.90	5.15	16.41	0.46	28.77	-	28.77	1.6%
Extra 3 Yard (per pickup)	41.34	370.14	17.85	7.52	23.49	0.66	42.00	-	42.00	1.6%
Extra 4 Yard (per pickup)	56.34	493.52	23.79	10.25	32.55	0.91	57.25	-	57.25	1.6%
Extra 6 Yard (per pickup)	65.85	740.28	35.69	11.98	30.16	0.84	66.69	-	66.69	1.3%
Extra 8 Yard (per pickup)	81.74	987.04	47.59	14.88	34.15	0.96	82.70	-	82.70	1.2%
Temporary 1 Yard (per pickup)	45.33	123.38	5.95	8.25	39.38	1.10	46.43	-	46.43	2.4%
Temporary 1.25 Yard (per pickup)	47.19	154.23	7.44	8.59	39.75	1.11	48.30	-	48.30	2.4%
Temporary 2 Yard (per pickup)	53.72	246.76	11.90	9.78	41.82	1.17	54.89	-	54.89	2.2%
Temporary 3 Yard (per pickup)	59.01	370.14	17.85	10.74	41.16	1.15	60.16	-	60.16	1.9%
Temporary 4 Yard (per pickup)	65.07	493.52	23.79	11.84	41.28	1.16	66.23	-	66.23	1.8%
Temporary 6 Yard (per pickup)	70.99	740.28	35.69	12.92	35.30	0.99	71.98	-	71.98	1.4%
Temporary 8 Yard (per pickup)	86.91	987.04	47.59	15.82	39.32	1.10	88.01	-	88.01	1.3%
2 Yard Packer (per pickup)	65.71	863.66	41.64	11.96	24.07	0.67	66.38	-	66.38	1.0%
3 Yard Packer (per pickup)	98.17	1,295.49	62.46	17.87	35.71	1.00	99.17	-	99.17	1.0%
4 Yard Packer (per pickup)	130.89	1,727.32	83.28	23.82	47.61	1.33	132.22	-	132.22	1.0%
5 Yard Packer (per pickup)	163.21	2,159.15	104.10	29.70	59.11	1.66	164.87	-	164.87	1.0%
6 Yard Packer (per pickup)	195.12	2,590.98	124.92	35.51	70.20	1.97	197.09	-	197.09	1.0%
Extra refuse per yard	12.63	123.38	5.95	2.30	6.68	0.19	12.82	-	12.82	1.5%
Placement, 1 - 3 yard	58.69				58.69	1.64	60.33	-	60.33	2.8%
Placement, 4 yard	64.34				64.34	1.80	66.14	-	66.14	2.8%
Placement, 6 - 8 yard	69.29				69.29	1.94	71.23	-	71.23	2.8%
1 Yard rent	26.72				26.72	0.75	27.47	-	27.47	2.8%
1.25 Yard rent	28.46				28.46	0.80	29.26	-	29.26	2.8%
2 Yard rent	39.50				39.50	1.11	40.61	-	40.61	2.8%
3 Yard rent	46.19				46.19	1.29	47.48	-	47.48	2.8%
4 Yard rent	42.38				42.38	1.19	43.57	-	43.57	2.8%
6 Yard rent	45.64				45.64	1.28	46.92	-	46.92	2.8%
8 Yard rent	64.65				64.65	1.81	66.46	-	66.46	2.8%
Temporary Rent, 1 - 3 yard	2.15				2.15	0.06	2.21	-	2.21	2.8%
Temporary Rent, 4 - 6 yard	2.95				2.95	0.08	3.03	-	3.03	2.7%
10 - 50 yard Drop Box service	119.85				119.85	3.36	123.21	-	123.21	2.8%
10 - 50 yard Temp. Drop Box service	119.85				119.85	3.36	123.21	-	123.21	2.8%
10 - 50 Drop Box Packer service	153.41				153.41	4.30	157.71	-	157.71	2.8%
Temporary Drop Box Placement	39.37				39.37	1.10	40.47	-	40.47	2.8%
10 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
15 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
20 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
25 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
30 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
35 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
40 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
Temp Rent, 10 - 50 Yard	9.86				9.86	0.28	10.14	-	10.14	2.8%
Distance	0.48				0.48	0.01	0.49	-	0.49	2.1%
Drive In	1.88				1.88	0.05	1.93	-	1.93	2.7%
Overhead	0.48				0.48	0.01	0.49	-	0.49	2.1%
Return Trip	12.59				12.59	0.35	12.94	-	12.94	2.8%
Roll Out	21.80				21.80	0.61	22.41	-	22.41	2.8%
Step	0.10				0.10	-	0.10	-	0.10	0.0%
Sunken Cans	0.48				0.48	0.01	0.49	-	0.49	2.1%
Container Washing	3.38				3.38	0.09	3.47	-	3.47	2.7%
Miles	2.64				2.64	0.07	2.71	-	2.71	2.7%
Hours	161.52				161.52	4.52	166.04	-	166.04	2.8%
Extra Man	60.54				60.54	1.70	62.24	-	62.24	2.8%
Overtime	80.68				80.68	2.26	82.94	-	82.94	2.8%

Column 3 = Column 2 / 2000 * (\$95 + 1.5%)
 Column 4 = Column 1 * 18.2%
 Column 5 = Column 1 - Column 3 - Column 4
 Column 6 = Column 5 * CPI%
 Column 7 = Column 1 + Column 6
 Column 8 = Column 7 * Rate Increase %
 Column 9 = Column 7 + Column 8
 Column 10 = (Column 9 - Column 1) / Column 1

Multi-family Rates Effective October 1, 2009

	1	2	3	4	5	6	7	8	9	10
	Current Rates Effective 7/1/2008	Garbage Pounds per Service Level	Garbage Tipping Fee at \$96.43 per Ton	Recycle & Yardwaste Tip Fee	Current Rates Less Tipping Fee	2.80% CPI	Rate After CPI	0.00% Rate Increase	Rate Effective 10/1/2009	Percentage Change
Multi-Family Service										
32 Gallon Cart (per pickup)	2.39	19.01	0.92	0.43	1.47	0.04	2.43	-	2.43	1.7%
64 Gallon Cart (per pickup)	5.85	30.42	1.47	1.06	4.38	0.12	5.97	-	5.97	2.1%
96 Gallon Cart (per pickup)	6.28	49.43	2.38	1.14	3.90	0.11	6.39	-	6.39	1.8%
1.25 Yard (per pickup)	17.79	154.23	7.44	3.24	10.35	0.29	18.08	-	18.08	1.6%
2 Yard (per pickup)	27.00	246.76	11.90	4.91	15.10	0.42	27.42	-	27.42	1.6%
3 Yard (per pickup)	40.20	370.14	17.85	7.32	22.35	0.63	40.83	-	40.83	1.6%
4 Yard (per pickup)	53.29	493.52	23.79	9.70	29.50	0.83	54.12	-	54.12	1.6%
6 Yard (per pickup)	62.24	740.28	35.69	11.33	26.55	0.74	62.98	-	62.98	1.2%
8 Yard (per pickup)	78.72	987.04	47.59	14.33	31.13	0.87	79.59	-	79.59	1.1%
Extra 1.25 Yard (per pickup)	21.03	154.23	7.44	3.83	13.59	0.38	21.41	-	21.41	1.8%
Extra 2 Yard (per pickup)	32.58	246.76	11.90	5.93	20.68	0.58	33.16	-	33.16	1.8%
Extra 3 Yard (per pickup)	47.37	370.14	17.85	8.62	29.52	0.83	48.20	-	48.20	1.8%
Extra 4 Yard (per pickup)	64.82	493.52	23.79	11.80	41.03	1.15	65.97	-	65.97	1.8%
Extra 6 Yard (per pickup)	73.19	740.28	35.69	13.32	37.50	1.05	74.24	-	74.24	1.4%
Extra 8 Yard (per pickup)	89.71	987.04	47.59	16.33	42.12	1.18	90.89	-	90.89	1.3%
Temporary 1.25 Yard (per pickup)	60.99	154.23	7.44	11.10	53.55	1.50	62.49	-	62.49	2.5%
Temporary 2 Yard (per pickup)	69.44	246.76	11.90	12.64	57.54	1.61	71.05	-	71.05	2.3%
Temporary 3 Yard (per pickup)	76.32	370.14	17.85	13.89	58.47	1.64	77.96	-	77.96	2.1%
Temporary 4 Yard (per pickup)	84.22	493.52	23.79	15.33	60.43	1.69	85.91	-	85.91	2.0%
Temporary 6 Yard (per pickup)	92.01	740.28	35.69	16.75	56.32	1.58	93.59	-	93.59	1.7%
Temporary 8 Yard (per pickup)	112.64	987.04	47.59	20.50	65.05	1.82	114.46	-	114.46	1.6%
2 Yard Packer (per pickup)	70.89	863.66	41.64	12.90	29.25	0.82	71.71	-	71.71	1.2%
3 Yard Packer (per pickup)	105.80	1,295.49	62.46	19.26	43.34	1.21	107.01	-	107.01	1.1%
4 Yard Packer (per pickup)	141.16	1,727.32	83.28	25.69	57.88	1.62	142.78	-	142.78	1.1%
6 Yard Packer (per pickup)	210.71	2,590.98	124.92	38.35	85.79	2.40	213.11	-	213.11	1.1%
Extra refuse per yard	12.63	123.38	5.95	2.30	6.68	0.19	12.82	-	12.82	1.5%
Placement, 1.25 - 3 yard	58.69				58.69	1.64	60.33	-	60.33	2.8%
Placement, 4 yard	64.34				64.34	1.80	66.14	-	66.14	2.8%
Placement, 6 - 8 yard	69.29				69.29	1.94	71.23	-	71.23	2.8%
1.25 Yard rent	28.46				28.46	0.80	29.26	-	29.26	2.8%
2 Yard rent	39.50				39.50	1.11	40.61	-	40.61	2.8%
3 Yard rent	46.19				46.19	1.29	47.48	-	47.48	2.8%
4 Yard rent	42.38				42.38	1.19	43.57	-	43.57	2.8%
6 Yard rent	45.64				45.64	1.28	46.92	-	46.92	2.8%
8 Yard rent	64.65				64.65	1.81	66.46	-	66.46	2.8%
Temporary Rent, 1.25 - 3 yard	2.15				2.15	0.06	2.21	-	2.21	2.8%
Temporary Rent, 4 - 6 yard	2.95				2.95	0.08	3.03	-	3.03	2.7%
10 - 50 yard Drop Box service	154.43				154.43	4.32	158.75	-	158.75	2.8%
10 - 50 yard Temp. Drop Box service	154.43				154.43	4.32	158.75	-	158.75	2.8%
11 - 50 Drop Box Packer service	197.64				197.64	5.53	203.17	-	203.17	2.8%
Temporary Drop Box Placement	39.37				39.37	1.10	40.47	-	40.47	2.8%
10 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
15 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
20 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
25 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
30 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
35 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
40 Yard rent	86.25				86.25	2.42	88.67	-	88.67	2.8%
Temp Rent, 10 - 50 Yard	9.86				9.86	0.28	10.14	-	10.14	2.8%
Distance	0.48				0.48	0.01	0.49	-	0.49	2.1%
Drive In	1.88				1.88	0.05	1.93	-	1.93	2.7%
Overhead	0.48				0.48	0.01	0.49	-	0.49	2.1%
Return Trip	12.59				12.59	0.35	12.94	-	12.94	2.8%
Roll Out	21.80				21.80	0.61	22.41	-	22.41	2.8%
Step	0.10				0.10	-	0.10	-	0.10	0.0%
Sunken Cans	0.48				0.48	0.01	0.49	-	0.49	2.1%
Container Washing	3.38				3.38	0.09	3.47	-	3.47	2.7%
Miles	2.64				2.64	0.07	2.71	-	2.71	2.7%
Hours	161.52				161.52	4.52	166.04	-	166.04	2.8%
Extra Man	60.54				60.54	1.70	62.24	-	62.24	2.8%
Overtime	80.68				80.68	2.26	82.94	-	82.94	2.8%

Column 3 = Column 2 / 2000 * (\$95 + 1.5%)
 Column 4 = Column 1 * 18.2%
 Column 5 = Column 1 - Column 3 - Column 4
 Column 6 = Column 5 * CPI%
 Column 7 = Column 1 + Column 6
 Column 8 = Column 7 * Rate Increase %
 Column 9 = Column 7 + Column 8
 Column 10 = (Column 9 - Column 1) / Column 1

ATTACHMENT B

Example of CPI Calculation Residential Rates Effective July 1, 2010

	1	2	3	4	5	6	7	8	9	10
	Current Rates Effective 10/1/2009	Garbage Lbs per Customer per Month	Garbage Tipping Fee at \$96.43 per Ton	Recycle & Yardwaste Tip Fee	Current Rates Less Tipping Fees	(example) 2.50% CPI	Rate After CPI	5.00% Rate Increase	(example) Rate Effective 7/1/2010	Percentage Change
Residential Service										
1 32 Gallon Can	19.22	82.38	3.97	3.50	11.75	0.29	19.51	0.98	20.49	6.6%
2 32 Gallon Cans	30.55	131.80	6.35	5.56	18.64	0.47	31.02	1.55	32.57	6.6%
3 32 Gallon Cans	40.38	214.18	10.33	7.35	22.70	0.57	40.95	2.05	43.00	6.5%
4 32 Gallon Cans	50.21	296.56	14.30	9.14	26.77	0.67	50.88	2.54	53.42	6.4%
5 32 Gallon Cans	60.06	378.93	18.27	10.93	30.86	0.77	60.83	3.04	63.87	6.3%
6 32 Gallon Cans	69.88	461.31	22.24	12.72	34.92	0.87	70.75	3.54	74.29	6.3%
Additional 32 Gallon Can	7.48	82.38	3.97	1.36	2.15	0.05	7.53	0.38	7.91	5.7%
20 Gallon Mini-Can/Cart	10.45	49.43	2.38	1.90	6.17	0.15	10.60	0.53	11.13	6.5%
32 Gallon Cart	19.22	82.38	3.97	3.50	11.75	0.29	19.51	0.98	20.49	6.6%
64 Gallon Cart	30.55	131.80	6.35	5.56	18.64	0.47	31.02	1.55	32.57	6.6%
96 Gallon Cart	38.18	214.18	10.33	6.95	20.90	0.52	38.70	1.94	40.64	6.4%
Oversized Can (per can per month)	14.85	49.43	2.38		12.47	0.31	15.16	0.76	15.92	7.2%
Extra Can/Bag/Bundle (each)	4.80	49.43	2.38		2.42	0.06	4.86	0.24	5.10	6.3%
Return Trip (each)	10.99				10.99	0.27	11.26	0.56	11.82	7.6%
Incident Weather Pickup (each commodity)	10.00				10.00	0.25	10.25	0.51	10.76	
Re-deliver Fee (each)	15.73				15.73	0.39	16.12	0.81	16.93	7.6%
Walk in/Carry out (per 25 feet per month)	0.47				0.47	0.01	0.48	0.02	0.50	6.4%
Drive In (per month)	8.15				8.15	0.20	8.35	0.42	8.77	7.6%
Stairs (per can per stair per month)	0.35				0.35	0.01	0.36	0.02	0.38	8.6%
Special Pickup/Bulky Items (per hour)	151.15				151.15	3.78	154.93	7.75	162.68	7.6%
Extra Person (per person per hour)	59.08				59.08	1.48	60.56	3.03	63.59	7.6%
<hr/> Column 3 = Column 2 / 2000 * (\$95 + 1.5%) Column 4 = Column 1 * 18.2% Column 5 = Column 1 - Column 3 - Column 4 Column 6 = Column 5 * CPI% Column 7 = Column 1 + Column 6 Column 8 = Column 7 * Rate Increase % Column 9 = Column 7 + Column 8 Column 10 = (Column 9 - Column 1) / Column 1										

Example of CPI Calculation Commercial Rates Effective July 1, 2010

	1	2	3	4	5	6	7	8	9	10
	Current Rates Effective 10/1/2009	Garbage Pounds per Service Level	Garbage Tipping Fee at \$96.43 per Ton	Recycle & Yardwaste Tip Fee	Current Rates Less Tipping Fee	(example) 2.50% CPI	Rate After CPI	5.00% Rate Increase	(example) Rate Effective 7/1/2010	Percentage Change
Commercial Service										
32 Gallon Cart (per pickup)	2.08	19.01	0.92	0.38	1.16	0.03	2.11	0.11	2.22	6.7%
64 Gallon Cart (per pickup)	5.12	30.42	1.47	0.93	3.65	0.09	5.21	0.26	5.47	6.8%
96 Gallon Cart (per pickup)	5.62	49.43	2.38	1.02	3.24	0.08	5.70	0.29	5.99	6.6%
1 Yard (per pickup)	14.06	123.38	5.95	2.56	8.11	0.20	14.26	0.71	14.97	6.5%
1.25 Yard (per pickup)	15.93	154.23	7.44	2.90	8.49	0.21	16.14	0.81	16.95	6.4%
2 Yard (per pickup)	24.33	246.76	11.90	4.43	12.43	0.31	24.64	1.23	25.87	6.3%
3 Yard (per pickup)	36.24	370.14	17.85	6.60	18.39	0.46	36.70	1.84	38.54	6.3%
4 Yard (per pickup)	48.10	493.52	23.79	8.75	24.31	0.61	48.71	2.44	51.15	6.3%
6 Yard (per pickup)	59.15	740.28	35.69	10.77	23.46	0.59	59.74	2.99	62.73	6.1%
8 Yard (per pickup)	73.93	987.04	47.59	13.46	26.34	0.66	74.59	3.73	78.32	5.9%
Extra 1 Yard (per pickup)	16.81	123.38	5.95	3.06	10.86	0.27	17.08	0.85	17.93	6.7%
Extra 1.25 Yard (per pickup)	18.61	154.23	7.44	3.39	11.17	0.28	18.89	0.94	19.83	6.6%
Extra 2 Yard (per pickup)	28.77	246.76	11.90	5.24	16.87	0.42	29.19	1.46	30.65	6.5%
Extra 3 Yard (per pickup)	42.00	370.14	17.85	7.64	24.15	0.60	42.60	2.13	44.73	6.5%
Extra 4 Yard (per pickup)	57.25	493.52	23.79	10.42	33.46	0.84	58.09	2.90	60.99	6.5%
Extra 6 Yard (per pickup)	66.69	740.28	35.69	12.14	31.00	0.78	67.47	3.37	70.84	6.2%
Extra 8 Yard (per pickup)	82.70	987.04	47.59	15.05	35.11	0.88	83.58	4.18	87.76	6.1%
Temporary 1 Yard (per pickup)	46.43	123.38	5.95	8.45	40.48	1.01	47.44	2.37	49.81	7.3%
Temporary 1.25 Yard (per pickup)	48.30	154.23	7.44	8.79	40.86	1.02	49.32	2.47	51.79	7.2%
Temporary 2 Yard (per pickup)	54.89	246.76	11.90	9.99	42.99	1.07	55.96	2.80	58.76	7.1%
Temporary 3 Yard (per pickup)	60.16	370.14	17.85	10.95	42.31	1.06	61.22	3.06	64.28	6.8%
Temporary 4 Yard (per pickup)	66.23	493.52	23.79	12.05	42.44	1.06	67.29	3.36	70.65	6.7%
Temporary 6 Yard (per pickup)	71.98	740.28	35.69	13.10	36.29	0.91	72.89	3.64	76.53	6.3%
Temporary 8 Yard (per pickup)	88.01	987.04	47.59	16.02	40.42	1.01	89.02	4.45	93.47	6.2%
2 Yard Packer (per pickup)	66.38	863.66	41.64	12.08	24.74	0.62	67.00	3.35	70.35	6.0%
3 Yard Packer (per pickup)	99.17	1,295.49	62.46	18.05	36.71	0.92	100.09	5.00	105.09	6.0%
4 Yard Packer (per pickup)	132.22	1,727.32	83.28	24.06	48.94	1.22	133.44	6.67	140.11	6.0%
5 Yard Packer (per pickup)	164.87	2,159.15	104.10	30.01	60.77	1.52	166.39	8.32	174.71	6.0%
6 Yard Packer (per pickup)	197.09	2,590.98	124.92	35.87	72.17	1.80	198.89	9.94	208.83	6.0%
Extra refuse per yard	12.82	123.38	5.95	2.33	6.87	0.17	12.99	0.65	13.64	6.4%
Placement, 1 - 3 yard	60.33				60.33	1.51	61.84	3.09	64.93	7.6%
Placement, 4 yard	66.14				66.14	1.65	67.79	3.39	71.18	7.6%
Placement, 6 - 8 yard	71.23				71.23	1.78	73.01	3.65	76.66	7.6%
1 Yard rent	27.47				27.47	0.69	28.16	1.41	29.57	7.6%
1.25 Yard rent	29.26				29.26	0.73	29.99	1.50	31.49	7.6%
2 Yard rent	40.61				40.61	1.02	41.63	2.08	43.71	7.6%
3 Yard rent	47.48				47.48	1.19	48.67	2.43	51.10	7.6%
4 Yard rent	43.57				43.57	1.09	44.66	2.23	46.89	7.6%
6 Yard rent	46.92				46.92	1.17	48.09	2.40	50.49	7.6%
8 Yard rent	66.46				66.46	1.66	68.12	3.41	71.53	7.6%
Temporary Rent, 1 - 3 yard	2.21				2.21	0.06	2.27	0.11	2.38	7.7%
Temporary Rent, 4 - 6 yard	3.03				3.03	0.08	3.11	0.16	3.27	7.9%
10 - 50 yard Drop Box service	123.21				123.21	3.08	126.29	6.31	132.60	7.6%
10 - 50 yard Temp. Drop Box service	123.21				123.21	3.08	126.29	6.31	132.60	7.6%
10 - 50 Drop Box Packer service	157.71				157.71	3.94	161.65	8.08	169.73	7.6%
Temporary Drop Box Placement	40.47				40.47	1.01	41.48	2.07	43.55	7.6%
10 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
15 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
20 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
25 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
30 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
35 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
40 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
Temp Rent, 10 - 50 Yard	10.14				10.14	0.25	10.39	0.52	10.91	7.6%
Distance	0.49				0.49	0.01	0.50	0.03	0.53	8.2%
Drive In	1.93				1.93	0.05	1.98	0.10	2.08	7.8%
Overhead	0.49				0.49	0.01	0.50	0.03	0.53	8.2%
Return Trip	12.94				12.94	0.32	13.26	0.66	13.92	7.6%
Roll Out	22.41				22.41	0.56	22.97	1.15	24.12	7.6%
Step	0.10				0.10	-	0.10	0.01	0.11	10.0%
Sunken Cans	0.49				0.49	0.01	0.50	0.03	0.53	8.2%
Container Washing	3.47				3.47	0.09	3.56	0.18	3.74	7.8%
Miles	2.71				2.71	0.07	2.78	0.14	2.92	7.7%
Hours	166.04				166.04	4.15	170.19	8.51	178.70	7.6%
Extra Man	62.24				62.24	1.56	63.80	3.19	66.99	7.6%
Overtime	82.94				82.94	2.07	85.01	4.25	89.26	7.6%

Column 3 = Column 2 / 2000 * (\$95 + 1.5%)
 Column 4 = Column 1 * 18.2%
 Column 5 = Column 1 - Column 3 - Column 4
 Column 6 = Column 5 * CPI%
 Column 7 = Column 1 + Column 6
 Column 8 = Column 7 * Rate Increase %
 Column 9 = Column 7 + Column 8
 Column 10 = (Column 9 - Column 1) / Column 1

Example of CPI Calculation Multi-family Rates Effective July 1, 2010

	1	2	3	4	5	6	7	8	9	10
	Current Rates Effective 10/1/2009	Garbage Pounds per Service Level	Garbage Tipping Fee at \$96.43 per Ton	Recycle & Yardwaste Tip Fee	Current Rates Less Tipping Fee	(example) 2.50% CPI	Rate After CPI	5.00% Rate Increase	(example) Rate Effective 7/1/2010	Percentage Change
Multi-Family Service										
32 Gallon Cart (per pickup)	2.43	19.01	0.92	0.44	1.51	0.04	2.47	0.12	2.59	6.6%
64 Gallon Cart (per pickup)	5.97	30.42	1.47	1.09	4.50	0.11	6.08	0.30	6.38	6.9%
96 Gallon Cart (per pickup)	6.39	49.43	2.38	1.16	4.01	0.10	6.49	0.32	6.81	6.6%
1.25 Yard (per pickup)	18.08	154.23	7.44	3.29	10.64	0.27	18.35	0.92	19.27	6.6%
2 Yard (per pickup)	27.42	246.76	11.90	4.99	15.52	0.39	27.81	1.39	29.20	6.5%
3 Yard (per pickup)	40.83	370.14	17.85	7.43	22.98	0.57	41.40	2.07	43.47	6.5%
4 Yard (per pickup)	54.12	493.52	23.79	9.85	30.33	0.76	54.88	2.74	57.62	6.5%
6 Yard (per pickup)	62.98	740.28	35.69	11.46	27.29	0.68	63.66	3.18	66.84	6.1%
8 Yard (per pickup)	79.59	987.04	47.59	14.49	32.00	0.80	80.39	4.02	84.41	6.1%
Extra 1.25 Yard (per pickup)	21.41	154.23	7.44	3.90	13.97	0.35	21.76	1.09	22.85	6.7%
Extra 2 Yard (per pickup)	33.16	246.76	11.90	6.04	21.26	0.53	33.69	1.68	35.37	6.7%
Extra 3 Yard (per pickup)	48.20	370.14	17.85	8.77	30.35	0.76	48.96	2.45	51.41	6.7%
Extra 4 Yard (per pickup)	65.97	493.52	23.79	12.01	42.18	1.05	67.02	3.35	70.37	6.7%
Extra 6 Yard (per pickup)	74.24	740.28	35.69	13.51	38.55	0.96	75.20	3.76	78.96	6.4%
Extra 8 Yard (per pickup)	90.89	987.04	47.59	16.54	43.30	1.08	91.97	4.60	96.57	6.2%
Temporary 1.25 Yard (per pickup)	62.49	154.23	7.44	11.37	55.05	1.38	63.87	3.19	67.06	7.3%
Temporary 2 Yard (per pickup)	71.05	246.76	11.90	12.93	59.15	1.48	72.53	3.63	76.16	7.2%
Temporary 3 Yard (per pickup)	77.96	370.14	17.85	14.19	60.11	1.50	79.46	3.97	83.43	7.0%
Temporary 4 Yard (per pickup)	85.91	493.52	23.79	15.64	62.12	1.55	87.46	4.37	91.83	6.9%
Temporary 6 Yard (per pickup)	93.59	740.28	35.69	17.03	57.90	1.45	95.04	4.75	99.79	6.6%
Temporary 8 Yard (per pickup)	114.46	987.04	47.59	20.83	66.87	1.67	116.13	5.81	121.94	6.5%
2 Yard Packer (per pickup)	71.71	863.66	41.64	13.05	30.07	0.75	72.46	3.62	76.08	6.1%
3 Yard Packer (per pickup)	107.01	1,295.49	62.46	19.48	44.55	1.11	108.12	5.41	113.53	6.1%
4 Yard Packer (per pickup)	142.78	1,727.32	83.28	25.99	59.50	1.49	144.27	7.21	151.48	6.1%
6 Yard Packer (per pickup)	213.11	2,590.98	124.92	38.79	88.19	2.20	215.31	10.77	226.08	6.1%
Extra refuse per yard	12.82	123.38	5.95	2.33	6.87	0.17	12.99	0.65	13.64	6.4%
Placement, 1.25 - 3 yard	60.33				60.33	1.51	61.84	3.09	64.93	7.6%
Placement, 4 yard	66.14				66.14	1.65	67.79	3.39	71.18	7.6%
Placement, 6 - 8 yard	71.23				71.23	1.78	73.01	3.65	76.66	7.6%
1.25 Yard rent	29.26				29.26	0.73	29.99	1.50	31.49	7.6%
2 Yard rent	40.61				40.61	1.02	41.63	2.08	43.71	7.6%
3 Yard rent	47.48				47.48	1.19	48.67	2.43	51.10	7.6%
4 Yard rent	43.57				43.57	1.09	44.66	2.23	46.89	7.6%
6 Yard rent	46.92				46.92	1.17	48.09	2.40	50.49	7.6%
8 Yard rent	66.46				66.46	1.66	68.12	3.41	71.53	7.6%
Temporary Rent, 1.25 - 3 yard	2.21				2.21	0.06	2.27	0.11	2.38	7.7%
Temporary Rent, 4 - 6 yard	3.03				3.03	0.08	3.11	0.16	3.27	7.9%
10 - 50 yard Drop Box service	158.75				158.75	3.97	162.72	8.14	170.86	7.6%
10 - 50 yard Temp. Drop Box service	158.75				158.75	3.97	162.72	8.14	170.86	7.6%
11 - 50 Drop Box Packer service	203.17				203.17	5.08	208.25	10.41	218.66	7.6%
Temporary Drop Box Placement	40.47				40.47	1.01	41.48	2.07	43.55	7.6%
10 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
15 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
20 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
25 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
30 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
35 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
40 Yard rent	88.67				88.67	2.22	90.89	4.54	95.43	7.6%
Temp Rent, 10 - 50 Yard	10.14				10.14	0.25	10.39	0.52	10.91	7.6%
Distance	0.49				0.49	0.01	0.50	0.03	0.53	8.2%
Drive In	1.93				1.93	0.05	1.98	0.10	2.08	7.8%
Overhead	0.49				0.49	0.01	0.50	0.03	0.53	8.2%
Return Trip	12.94				12.94	0.32	13.26	0.66	13.92	7.6%
Roll Out	22.41				22.41	0.56	22.97	1.15	24.12	7.6%
Step	0.10				0.10	-	0.10	0.01	0.11	10.0%
Sunken Cans	0.49				0.49	0.01	0.50	0.03	0.53	8.2%
Container Washing	3.47				3.47	0.09	3.56	0.18	3.74	7.8%
Miles	2.71				2.71	0.07	2.78	0.14	2.92	7.7%
Hours	166.04				166.04	4.15	170.19	8.51	178.70	7.6%
Extra Man	62.24				62.24	1.56	63.80	3.19	66.99	7.6%
Overtime	82.94				82.94	2.07	85.01	4.25	89.26	7.6%

Column 3 = Column 2 / 2000 * (\$95 + 1.5%)
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